cessful. Faculty members were available to the students as counselors. The administration reduced the minimum course load for Upward Bound youngsters who were in academic difficulty.

Everyone aggressively sought sources of financial support from service clubs, lodges, and private industry as well as Federal and State sources.

Perhaps the key to the success of this project was the enthusiastic support it received from all the elements of Western's college community. Western's students, faculty, administrators, and members of the community made possible this outstanding success.

Indeed it is hoped that the success at Western will generate the same sort of significant and remarkable change throughout American higher education.

Mr. Speaker, I take great pleasure in congratulating Western Washington State College for its efforts and successes in reaching these young people who have consistently been overlooked and for mobilizing all available community resources to propel them out of poverty for good. Upward Bound has proved itself at Western, and it is my sincere hope that it will serve as a positive example to the rest of the Nation.

Captive Nations Week

EXTENSION OF REMARKS

OF

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1967

Mr. MURPHY of New York. Mr. Speaker, in commemoration of Captive Nations Week, I include herewith the text of my remarks before the Americans To Free Captive Nations, Inc., celebration at the Statue of Liberty on July 23, 1967:

REMARKS OF REPRESENTATIVE JOHN M. MURPHY, AMERICANS TO FREE CAPTIVE NATIONS, INC., JULY 23, 1967

This nation was founded on the principle that "all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty, and the Pursuit of Happiness." These words, and the principle they set forth, although written in a declaration of one nation's independence, are a universal expression of the independence of all mankind.

It is fitting, therefore, that we celebrate Captive Nations Week in the United States, because the independence we were able to secure over 150 years ago is the independence that has been denied hundreds of millions of people throughout the world; our commitment to their freedom should be no less than our commitment to freedom at home.

It is not that some people do not desire freedom, for freedom is one of the most basic of human desires. Where freedom is absent in the world we find without exception that it has been replaced—with force or deceit—by some form of tyranny. No one voluntarily or willingly chooses to be enslaved.

The Russian subjugation of Eastern Europe began behind the facade of a mutual defense assistance pact in World War II, twenty-five years ago. But any hope for Russian cooperation faded before the ink was dry on the pact. With unbelievable brutality and a total disregard for human suffering the Russians occupied the Eastern European nations. Throughout the war, the Soviets stripped the area of its entire industrial structure, even dismantling entire factories for shipment to Russia. After the war, what little doubt remained of Soviet intentions in Eastern Europe was quickly shattered. Instead of withdrawing their troops, the Russians began mass deportation of Eastern Europeans, and their replacement through Russian immigration. This process of Russification included the substitution of Russian language, laws, and customs—in effect, the total obliteration of the national identity of the Captive Nations. The result of the Russian tyranny is that today over one hundred million Eastern Europeans are enslaved.

This same process of enslavement has since occurred in other nations throughout the world, including Cuba, China, North Korea and North Vietnam.

The Soviets, of course, always have a ready justification for their illegal action. They often point to the "elections" held in the captive nations as evidence of popular support. But we all know, and the Soviets know, that an election with only one slate of candidates is no election at all.

They may claim that the elections show popular support, but there are plenty of signs to show that popular support is a myth. The Hungarian Revolt in 1956 is one example. No one can forget the brave Hungarian patriots who were viciously crushed beneath the cold steel tread of Soviet tanks. Nor can we forget the brave Poles who met a similar fate in the Polish October Days. Berlin is still another example; where else in the world can a government claim such popular support that it must build a wall to keep the population from deserting.

These are just a few examples of the spirit of freedom that still burns in the hearts of citizens of the captive nations. We must not let that flame die out, for a flame that can withstand the brutality of Russian tyranny and still survive must surely someday triumph.

But while we celebrate Captive Nations Week we should remember another reason for our commitment to freedom. We should be mindful of the many contributions to this country by people from captive nations. The greatness of the United States is founded on the many talents of a diverse people; we have benefitted from their skills and their culture and their devotion to freedom. Therefore, our celebration today should renew our spiritual ties with the people of Eastern and Central Europe.

I think this yearning for freedom which periodically slips over the Berlin Wall in the dark of night or rises up in the streets in armed protest will eventually prove to be the trojan-horse of Soviet dominated Eastern Europe. Russia can physically oppress the people, it can wall them in, but it can never defeat the will to be free. As long as this will is alive, there is hope.

But we must do our part. We must give the captive people reason to hope. As President Kennedy once stated: "This country must never recognize the situation behind the Iron Curtain as a permanent one, but must, by all peaceful means, keep alive the hopes of freedom for the people of the captive nations."

We must never let them stand alone. Our strongest weapons in this struggle are truth, facts and ideas. The Voice of America and Radio Free Europe are vital to our purpose. Captive Nations Week is another way of showing our support. In addition, the United Nations must also be encouraged to press for freedom behind the Iron Curtain. We must never cease to work for their freedom.

A second task, of equal importance to freeing the people of captive nations, is to prevent other nations from being enslaved. This is our task today in Vietnam. We are taking a firm stand in this distant nation so that one nation will not impose its will on another. We must not, and will not, fail in this endeavor. In a larger sense, the struggle for freedom in Vietnam is a struggle for freedom everywhere. Regardless of the name of the country, we are committed to the proposition that all people shall have the right of self-determination. Today the line is drawn in Vietnam; who knows where it might be drawn tomorrow?

Therefore, as we celebrate Captive Nations Week, let us remember that our cause is freedom, whether it be for those who are enslaved, for those who are fighting to avoid enslavement, or for those who are already free. Our policy should be not only total opposition to tyranny in any form, but encouragement to free nations everywhere, especially those emerging nations for whom freedom is new and not yet firmly established. Our policy should be that once stated by Thomas Jefferson, when he said: "I have sworn eternal hostility against any form of tyranny over the minds of man."

It is in the spirit of Jefferson's words that we celebrate Captive Nations Week. Let us remember that our celebration must last more than one week a year if our cause is to triumph. We should use this week not as a one-shot celebration, but as the beginning of a full time commitment to the cause of freedom.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 26, 1967

The House met at 11 o'clock a.m.

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

Let love be genuine; hate what is evil, hold fast to what is good.—Romans 12: 9.

Eternal Father of our spirits, we pray that in this sacred minute of prayer we may receive guidance for the day, wisdom for each hour, and good will for every moment. Help us to think more and talk less; to pray more and procrastinate less; to live more by high principles and less by low prejudices. Make us so dissatisfied with ourselves that we may turn away from loud professions to quiet practice, from friendly looks to friendly lives, and from speaking excellent words to speeding excellent works.

So we pray this morning that Thou wilt renew a right spirit within us and send us out into this day with gracious thoughts, good words, and a great spirit. In the Master's name we pray. Amen.

THE JOURNAL

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

PERMISSION FOR THE COMMITTEE ON ARMED SERVICES TO FILE BY MIDNIGHT TONIGHT A REPORT ON H.R. 11722

Mr. RIVERS. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight tonight to file a report on the bill H.R. 11722.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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

There was no objection.

PERMISSION FOR THE SUBCOMMITTEE OF THE COMMITTEE ON ARMED SERVICES INVESTIGATING THE M-16 RIFLE TO SIT DURING GENERAL DEBATE TODAY

Mr. ICHORD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Armed Services Investigating the M-16 rifle be permitted to sit today during general debate.

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

There was no objection.

SUBCOMMITTEE ON MERCHANT MARINE OF COMMITTEE ON MERCHANT MARINE AND FISHERIES—PERMISSION TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee on Merchant Marine and Fisheries may be permitted to sit while the House is in session during general debate today.

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

There was no objection.

CALL OF THE HOUSE

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

The SPEAKER. Evidently, a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 183]

Anderson, Tenn.	Edwards, La.	Kastenmeier
Andrews, Ala.	Eilberg	Long, La.
Ashley	Everett	Marsh
Blackburn	Farbstein	Morse, Mass.
Blatnik	Fisher	Murphy, Ill.
Broomfield	Ford, William D.	Nedzi
Brown, Calif.	Fraser	Nichols
Burke, Fla.	Fulton, Tenn.	Resnick
Burton, Utah	Gardner	Riegle
Conyers	Giaimo	Scheuer
Cowger	Goodell	Sisk
Cramer	Heckler, Mass.	Steiger, Wis.
de la Garza	Herlong	Taft
Dent	Holifield	Tiernan
Diggs	Hunt	Vander Jagt
Dole	Jones, Mo.	Williams, Miss.
		Willis

The SPEAKER. On this rollcall 384 Members have answered to their names, a quorum.

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

CARMICHAEL—TRAITOR

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

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

There was no objection.

Mr. FUQUA. Mr. Speaker, a newspaper report in the paper this morning stated that Stokely Carmichael has arrived in Cuba "with a clarion call for the organization of guerrilla groups in U.S. cities."

This person who claims to be an American, who has called for America to be burned down, said "It is going to be a struggle to the death."

I am informed that he is breaking no law. There are no statutes on the books to hamper the travel nor the activities of this traitor. While American boys are being killed in the jungles of Vietnam, this filthy excuse for a human being advocates that these same forces overturn the Government of the United States.

Languishing in our Judiciary Committee is a measure which would have made it an offense for this traitor to travel in foreign lands so freely and unhampered in his efforts to destroy the United States.

How long will we slumber?

Firemen and policemen are shot down in our streets by snipers who might well have been trained and indoctrinated by this very same activity. I think it time for the Congress to wake up, for the courts to rule in favor of preserving some semblance of reason in controlling those who seek to destroy the very foundation of freedom—particularly in light of the laws we have which send young men to fight and die for the preservation of freedom in Vietnam.

PAY UP OR SHUT UP, MR. DE GAULLE

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

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

There was no objection.

Mr. WOLFF. Mr. Speaker, this week, in a flagrant and irresponsible abuse of diplomatic courtesy, President de Gaulle encouraged the separatist movement in Canada.

While meddling in the affairs of this hemisphere, De Gaulle, always a debtor, continues to ignore the $6 billion owed this hemisphere and the United States since World War I. Even more striking, he has constantly ignored the debt of blood shed by American boys in two World Wars. This debt of blood and lives is the only reason France and De Gaulle survive today.

Also De Gaulle has impeded our efforts to secure a just peace in Vietnam. Were it not for the vacuum left by France, we would not be in Vietnam today.

There is too much unrest in the world today to permit troublemakers like De Gaulle to stir up more unrest. He is always present with open hand and open mouth—but he is deaf when called upon to meet his international responsibilities.

SUMMER 1967 OUTBREAKS OF VIOLENCE

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

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

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, the rioting and domestic violence throughout the Nation must be stopped immediately by whatever force local, State, and Federal governments find necessary.

There will be time enough after order is restored to seek out the causes and assess the blame. Now is not the time to sit back and debate social issues or appropriate more money. Actually, in excess of $40 million had been spent in Detroit on poverty programs alone.

Just a look at the list of the occurrences of violence this summer indicates the scope of the problem:

April 1: Omaha, Nebr.
April 8: Nashville, Tenn.
May 12: Jackson, Miss.
May 16: Houston, Tex.
May 21: Chicago, Ill.
May 30: Chicago, Ill.
June 2: Boston, Mass.
June 11: Tampa, Fla.
June 11: Prattville, Ala.
June 12: Cincinnati, Ohio.
June 19: Atlanta, Ga.
June 27: Buffalo, N.Y.
July 2: Des Moines, Iowa.
July 3: Cincinnati, Ohio.
July 10: Waterloo, Iowa.
July 12: Newark, N.J.
July 12: Hartford, Conn.
July 12: Erie, Pa.
July 16: Des Moines, Iowa.
July 17: Plainfield, N.J.
July 19: Nyack, N.Y.
July 21: Minneapolis, Minn.
July 22: Youngstown, Ohio.
July 23: New York, N.Y.
July 23: Detroit, Mich.
July 24: Cambridge, Md.
July 24: Rochester, N.Y.
July 24: Toledo, Ohio.
July 24: Pontiac, Mich.
July 24: Flint, Mich.
July 24: Lansing, Mich.

There is only one urgent course of action now—to stop the violence. Not just in Newark. Not just in Detroit. Everywhere. Now.

STORM OF PROTEST OVER POSTAL RATES

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

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

There was no objection.

Mr. HECHLER of West Virginia. Mr. Speaker, it was reported this morning that the Postal Rates Subcommittee voted a very mild, three-step increase in third-class postal rates to extend over

a 3-year period. After 3 years, the rate for bulk third class mailings will go up to 3.5 cents a piece.

Coming on top of the recommendations of the Postal Rates Subcommittee to raise first class rates to 6 cents, post cards and postal cards to 6 cents and air mail to 10 cents, this action will produce a storm of protest from all over the Nation if Congress swallows these postal rates. I will fight to the finish on the House floor this brazen attempt to saddle millions of taxpayers with the cost of the subsidies to the junk mailers. If Congress accepts an absurdly low rate of 3.5 cents, after 3 years, for bulk rate third class mail, it will be knuckling under to the junk mail lobbyists.

The administration proposed an immediate third-class bulk-rate increase to 3.8 cents—as against the 3.5 cent, three-step increase recommended by the committee. I feel that the administration proposal was too modest, and have recommended a 4.5-cent rate, which would enable third-class mail to pay its way. I believe the American people would support that principle.

Passage of the proposal of the Postal Rates Subcommittee would be a bitter defeat for the average American, who is tired of having his tax dollars frittered away to feed those profitmaking concerns cluttering up everybody's mailbox with their junk.

Mr. Speaker, how can anybody even mention a tax increase when so much subsidy is already going to third-class mailers and the postal deficit is running so high?

RIOT BLAME

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

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

There was no objection.

Mr. HAGAN. Mr. Speaker, much of the blame for this rampant civil disobedience this country is experiencing must be laid at the doorstep of the two major parties, who vie for the minority vote necessary to win a national election without regard for the welfare of the majority.

If we do not halt these riots at once, if we do not renew the faith of the American people, I predict we will witness a political upheaval throughout the Nation that will shake the foundations of the buildings on this Hill and on Pennsylvania Avenue.

Much of the blame for this mess in which we now find ourselves must be laid at the doorstep of irresponsible political leaders who look to the vote rather than to the values of our Nation.

And we must blame the irresponsible Negro, who inflames his people to violence with no thought of the consequences and then reflects his true political colors with a visit to a Communist leader. The responsible Negro citizen has been betrayed.

There is no nice way to stop a riot, to end looting, and killing and maiming. This shame in our communities must be stopped by all force necessary—and it must be ended at once.

MANY AGENCIES OF GOVERNMENT HAVE A RAT EXTERMINATION PROGRAM

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

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

There was no objection.

Mr. HALEY. Mr. Speaker, a great deal has been said about the so-called rat bill that we had here and which was substantially defeated on the floor of this House the other day. For the information of Members of the Congress and our friends in the press gallery, I would like to inform them that we now have four agencies of the Government that have such a program, provided their authority is extended a little bit. They are the Office of Economic Opportunity, which has a program; the Department of the Interior, which has a program; the Department of Health, Education, and Welfare, which has a program; and the Department of Agriculture, which has a program. So I say that what we were attempting to do here the other day in considering the so-called rat bill was just trying to build another department in the Government and to put layer on top of layer of similar programs.

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

Mr. HALEY. I yield to the gentleman from Georgia.

Mr. HAGAN. Does not the gentleman think that it is high time we spent our efforts to eradicate some of these two-legged rats rather than the four-legged rats over the country?

Mr. HALEY. I would go along with such a program.

RAISE SOCIAL SECURITY BENEFITS

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

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

There was no objection.

Mr. MONAGAN. Mr. Speaker, since the turn of the century the life expectancy of the average American has increased 23 years. Today, one out of 10 American citizens is 65 years of age or older.

As President Johnson stated in his January message to Congress, one of the tests of a great civilization is the compassion and respect shown to its elderly citizens. In the United States, the record of compassion began in 1935 with the passage of the first Social Security Act. The purpose of social security was and is to provide a means by which the elderly could avoid living out their years in dependency.

Despite consistent and almost constant review and revision the social security program has not been able to meet this goal for today's elderly, principally because of our changing economy. In the last 13 years the cost of living has risen 23 percent while social security benefits have increased 14 percent. Many of those now entitled to social security have made significant contributions to the growth of the economic and material welfare of this country. It is only just that they now be able to participate in the benefit of this growth. They cannot do this effectively when the average social security benefit amounts to $84 a month. This figure is inadequate in today's high-powered economy.

It is imperative that social security benefits be increased so that the golden years can be a time of enrichment. H.R. 5710, now before the Ways and Means Committee, in part provides a more realistic schedule of benefits. Although this bill may have many controversial facets, there is no difference of opinion about the need for increased benefits for our senior citizens.

I strongly support the recommendation to raise the amount of social security benefits to the elderly, and I hope that the Ways and Means Committee will promptly report an adequate bill.

PROXIMITY WARNING DEVICE FOR AIRCRAFT

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

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

There was no objection.

Mr. FASCELL. Mr. Speaker, the recent airplane crash between a commercial liner and a private aircraft, with the horrible loss of life, pointed out once again something we have known for a long time, and that is the dire necessity to come up with some safety device, method, or procedure to improve safety of the increasing air traffic in this country.

I do not claim to have all the answers on this subject, but I have introduced a bill, which I hope will be helpful toward a solution of that problem. This bill which would give congressional direction to the Administrator of the FAA to spend such moneys for research as may be necessary for research and development of a proximity warning device at a reasonable cost, reasonable enough so that it can be used not only on the 2,000 commercial airliners we have but also on the over 100,000 private aircraft we have.

There is some evidence that such a device can be manufactured, but that it is so costly—in the $30,000 to $40,000 class—that the Federal requirement for its use is impractical. There is also some conjecture that such a device at a reasonable cost has been developed but for some unexplained reason it has not been made available to the American public. I do not know whether that is true, but I know this is true: American ingenuity and American technology, given the op-

portunity, direction and money can produce an electronic device to go in all aircraft, at a cost reasonable enough to be feasible, which will give a warning of another aircraft in flight and give the distance and direction of that other aircraft.

I trust that the appropriate committees of the Congress and the industrial groups themselves—such as the pilot associations, the commercial carriers, and the private aircraft operators—will all get behind this effort to develop and produce such a proximity warning device.

Such a device used on all aircraft, commercial and private, could go a long way to assure air traffic safety, prevent midair collisions and save lives of passengers, crew and pilot.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 184]

Anderson, Tenn.	Dingell	Jones, Mo.
Andrews, Ala.	Dole	Marsh
Blanton	Farbstein	Morse, Mass.
Blatnik	Fisher	Mosher
Broomfield	Ford, William D.	Murphy, Ill.
Brown, Calif.	Fraser	O'Hara, Mich.
Burke, Fla.	Fulton, Tenn.	Resnick
Burton, Utah	Gardner	Rumsfeld
Cleveland	Hansen, Wash.	Scheuer
Conyers	Heckler, Mass.	Steiger, Wis.
Cramer	Herlong	Taft
de la Garza	Hunt	Williams, Miss.
Dent	Ichord	Willis
Dickinson	Irwin	Zion

The SPEAKER. On this rollcall, 387 Members have answered to their names, a quorum.

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

INTER-AMERICAN DEVELOPMENT BANK ACT AMENDMENTS OF 1967

Mr. YOUNG. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 748 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 748

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9547) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Texas is recognized for 1 hour.

Mr. YOUNG. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ANDERSON] for purposes of debate, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 748 provides an open rule with 2 hours of general debate for consideration of H.R. 9547 to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operation of the Inter-American Development Bank, and for other purposes.

The Inter-American Development Bank was established in 1959 and has a membership consisting of the member countries of the Organization of American States, with the exception of Trinidad and Tobago. The purpose for which the Bank exists is to contribute to the acceleration of the process of economic development of its member countries. Since it began operations in 1961, the so-called Bank of the Alliance has assumed a role of rapidly increasing importance in the planning and financing of economic and social development in Latin America.

The Bank carries out its operations through two lending "windows": the Ordinary Capital Fund of the Bank extends economic development loans on conventional terms; the Fund for Special Operations provides financing for economic and social development projects "on terms and conditions appropriate for dealing with special circumstances or with respect to specific projects."

H.R. 9547 amends the Inter-American Development Bank Act to authorize the U.S. Governor of the Bank—the Secretary of the Treasury—to vote in favor of the resolution of the Governors of the Bank entitled "Increase of $1,200,000,000 in Resources of Fund for Special Operations." The bill also authorizes, upon adoption of the resolution of the Governors of the Bank, the payment into the Bank, without fiscal year limitations, of a U.S. contribution to the Fund for Special Operations of the Bank in the amount of $900 million. Pursuant to annual appropriations, the United States would make payment of $300 million per annum as its contribution to the FSO during fiscal years 1968, 1969, and 1970. Each of these three annual payments would be made in the form of a letter of credit, and budgetary expenditures would coincide closely with the actual use of the funds in loan disbursements out of the FSO. The resolution of the Governors of the Bank also provides for $300 million equivalent in contributions by the Latin American members of the Bank, in their own national currencies, to be paid into the Bank also in three annual installments.

The bill also authorizes the U.S. Governor to vote in favor of a resolution which, if adopted, will amend annex C of the agreement establishing the Bank, which governs the procedures governing the election of the six Executive Directors of the Bank representing the Latin American members.

Mr. Speaker, I urge the adoption of House Resolution 748 in order that H.R. 9547 may be considered.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I believe it was on the 13th of March of this year that the President of the United States, in a message to the summit meeting of Latin American presidents and foreign ministers at Punta del Este, indicated that he would ask for a $150 million increase in our present contribution to the so-called fund for social progress, the soft loan window of the Inter-American Bank.

I do not believe there is any Member of this body who does not appreciate the importance of the economic development of the Southern Hemisphere or the importance of promoting hemispheric solidarity by lending our best efforts to the economic development of the impoverished and underdeveloped Latin American countries. Yet, when the President made that statement on the 13th of March he must have known, because of the fate which a resolution of support had suffered in the other body of this Congress, that he made the statement at his own risk and at his own peril and that it was very much subject to whatever action this Congress would decide to take.

Mr. Speaker, I for one am in favor of the Inter-American Bank. I for one am in favor of the principle of multilateral aid of this kind to gradually replace and completely, I would hope, some day, take the place of the unilateral aid projects on a grant basis which we have scattered with such abandon all over the world.

I do not believe that anyone can stand before this body today and say that the United States of America has been selfish, that we have been less than generous in our response to the needs of our Latin American neighbors.

Yet, I think that before we vote here today to authorize an increase to the sum of $300 million a year for the next 3 fiscal years, or a total of $900 million, in the so-called fund for special lending operations of the Inter-American Bank, we ought to remind ourselves if, indeed, we have not already, of the fact that we take up this bill today for consideration under very unusual and different circumstances.

The circumstances in the country today are far different than they were when the President sent his budget message to the Congress on the 24th of January. They are far different today than they were on the 14th of March of this year when the President addressed a summit meeting at Punta del Este.

We know now, as we did not know then, that we face a budget deficit of probably $25 billion or, even, $30 billion for this fiscal year.

We know that that kind of deficit is going to fuel the fires of inflation in this country to the point where the 3.3 per-

cent increase which we saw in the general level of prices last year—an increase, by the way, that robbed the American consumers of $16.5 billion in purchasing power, and has complicated the efforts which we are making to fight the war on poverty in this country. I will say by way of explanation on this point that I have on my desk right now, as I am sure many others of you do, a report from one of the trade associations of the lumber industry in this country, telling us that they have made a $60,000 study of a very interesting project, whereby they hoped to rehabilitate 150,000 housing units in the slum areas of Cleveland, Ohio, an area which was involved in the disastrous riots of last year. In other words, Mr. Speaker, these trade associations were going in and attempting to rehabilitate 150 housing units, by employing resources derived from the private sector and private capital in order to get the job done.

Do you know what they discovered? After they had spent the $60,000, they discovered that because of inflated costs in this country that they were probably going to have to abandon the project because the project would cost $500,000 more than the mortgage value of the housing that they were hoping to rehabilitate.

Mr. Speaker, that is what is happening in this country today because of inflation sponsored by the ruinous fiscal policies of this administration. It is one of the problems about which some people who like to talk about the root causes of poverty do not like to discuss.

Mr. Speaker, there is another matter to be considered as we take up this bill today and this matter is discussed very well in the minority views that the Members will find attached to this report. That is the fact that we still have the problem of a balance-of-payments deficit in this country; that there was a deficit of $1.4 billion last year, and the deficit showed an increase of $800 million during the first quarter of this year. That problem has not gone away. Indeed, it has become more serious than it was in 1966.

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

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 5 additional minutes.

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

Mr. ANDERSON of Illinois. I yield to the distinguished gentleman from Missouri.

Mr. CURTIS. Mr. Speaker, the gentleman from Illinois is quite accurate in referring to the balance of payments on a liquidity basis.

The administration—and I felt that this was a wise move—also sought to measure the balance-of-payments problem on an official reserve transaction basis. Both of these procedures ought to be taken into account. But the administration this year does not speak about this problem of the balance of payments in the terms of official reserve transactions and understandably so. Yet reading from the economic indicators of July, where we have the first quarter figures of 1967 for the balance of payments, that is measured in official reserve transactions, there is reflected a minus of $7.288 billion. This was a "plus" last year. And, just to illustrate the significance of it, a plus of .225 in 1966, and a minus of $7 billion in the first quarter of 1967.

Mr. Speaker, the Government of the United States is indeed in a very serious situation, and I thank the distinguished gentleman from Illinois [Mr. ANDERSON] for making a splendid statement in pointing this out.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the distinguished gentleman from Missouri for his contribution on this subject.

However, permit me to bring up another point: We should also consider this bill today in the light of one other factor, and it is an overriding factor in my mind and one that ought to be in the hearts and minds and conscience of everyone of us.

Mr. Speaker, I received a letter today from our distinguished colleague, the gentleman from Michigan [Mr. O'HARA], informing me that later on this week, he is going to introduce a bill which would call for no less than $300 million, an amount which incidentally is exactly the annual contribution the administration is seeking by this bill to make available to the Fund for Special Operations of the Inter-American Bank.

He is going to introduce a bill in the House of Representatives for $300 million—for what purpose? To provide grants to local law-enforcement agencies to strengthen their capability to deal with riots and civil disorder.

Mr. Speaker, I predict quite frankly that this is merely the first of many such bills that are going to be offered in this Congress before this session adjourns.

Mr. Speaker, we have some very serious domestic problems in front of us. We are facing a crisis in law enforcement and in many other areas as well, and we ought not to forget about that today when we consider the recommendation of the majority of the Committee on Banking and Currency that we increase to $300 million annually the contribution that we are now making to this particular fund.

Finally, Mr. Speaker—and with this I will conclude—I read in the press yesterday that about $100 million of the $591 million so-called "country X arms loans" from the Export-Import Bank in just the last 2 fiscal years alone have gone to five Latin American countries—and they are named—Brazil, Argentina, Venezuela, Chile, and Peru. I read further that one of those countries, Peru, soon will have some very expensive supersonic Mirage jet fighters which they intend to purchase from France. I wonder if we do not have problems on our own hands that ought to have a little bit higher priority than making it possible for Latin American countries to go out and deal with the arms brokers and buy Mirage jet bombers and all of the expensive and sophisticated weapons of war.

Mr. Speaker, I am opposed to this bill. I am opposed to it because very clearly we have facing us many important domestic priorities that have to be taken care of, and I believe we had better mobilize our resources here at home and address ourselves to those pressing priorities before we start to increase to $300 million annually the contribution to the so-called soft loan window of the Inter-American Bank.

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

Mr. ANDERSON of Illinois. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I wish to commend the gentleman for the splendid statement he has made, and say that I concur with him completely in his approach to this matter because on page 115 of the committee hearings it is indicated that things are going pretty well in Latin America.

If the gentleman will bear with me, I will read one short paragraph, from a statement made by the Honorable Lincoln Gordon, Assistant Secretary of State for International Affairs.

He says:

> Latin American central government revenues, according to estimates consolidating all domestic sources of revenues, has risen by about 25 percent in real terms since the beginning of the Alliance. Most of the increase is concentrated in the last 3 years, 1963–66, which have seen a rise of some 22 percent.

Mr. Speaker, if the economy is doing so well in Latin America, why should we beef up this soft loan fund here today with more hundreds of millions taken from already overtaxed citizens of this country?

Mr. ANDERSON of Illinois. I thank the gentleman from Iowa for his contribution.

Mr. Speaker, I thank the gentleman for his comment.

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

Mr. CURTIS. Mr. Speaker, I requested this time on the rule because I believe this is one of the most important bills that is going to be before us. It is one of many different kinds of bills that are directed to the same subject matter; namely, our foreign relations.

If one wants to get to the issues of war or peace, it is wrapped up to a large degree in these very technical, perhaps, but nonetheless important matters that involve economics.

I notice the gentleman from Ohio [Mr. HAYS] made the point that he thought this Committee on Banking and Currency, of which I am not a member, was impinging in the area of the Committee on Foreign Affairs.

My comments is, "No," it was not at all.

What the point is—and the gentleman from Ohio was certainly pointing to something that needs consideration—is that there are many committees that have subject matters that bear on the whole subject of foreign or international economics.

The Committee on Ways and Means, or rather those of us on the conference, are going to meet at 2 o'clock today with the representatives of the Senate from the Senate Finance Committee on the interest equalization tax, which the House passed earlier this year and which

I opposed bitterly again, as I have every time it has come up.

What is the interest equalization tax? It is a barrier on private investment abroad. This is the first time in the history of this country that we have ever imposed impediments on private investments abroad.

As I said at the time, the strange thing was that at a time when we were shackling the private sector, the same administration was pumping more and more money into the governmental sector of investment abroad.

So we have before us one specific example, and there are many others, requesting a $300 million increase in Government investment. In fact, it is not an investment. That is a euphemism. The words "soft loans" amounts to a euphemism. These are very thinly disguised grants—and we know it. I happen to favor, by the way, the use of grants under certain circumstances if we have the proper disciplines.

But I want to point out the fact that other committees are dealing with subject matters that relate directly to what we are discussing here—and legitimately so—legitimately in the jurisdiction of the Committee on Banking and Currency.

For years I have been disturbed about why we in the House of Representatives were unable apparently to come up with proper solutions on broad subjects, like international economics, and on poverty in our own domestic programs.

One reason is, it is both a plus and a minus so far as the congressional institution is concerned—we proliferate ourselves into 21 standing committees in order to analyze and to understand subjects—and this is as it should be. This is a plus.

But we have not developed techniques for synthesizing, after we have done the analysis.

The Committee on Banking and Currency will do a good job on this particular bill. Hopefully the Committee on Ways and Means will do a good job on its problems and hopefully the Committee on Foreign Affairs, which the gentleman from Ohio [Mr. HAYS] rightly points out, has the bulk of the jurisdiction of these matters, will do a good job.

But there is also the Committee on Agriculture which has more to say really about foreign aid programs than the committees I have mentioned up to date through Public Law 480.

And the Committee on Armed Services which has jurisdiction over two subject matters to a degree—military aid—but also still on the sale of surplus property which generates counterpart funds abroad which go into this same pool.

I have not mentioned all the committees that are involved in the subject of international economics problems, but I mention a few.

Even this bill that we have before us is a proliferation of lending agencies as anyone reading the report can see—and it is a fine report—both the majority and minority in my judgment—as I say, it is a fine report. There is mentioned in the report the Export-Import Bank which is going to be before us possibly shortly. But the way the Export-Import Bank has been moving and it used to be a great factor in all this matter of financing—we are now moving into areas so that I wonder whether they are bankers or whether they are implementing separate policies, political and military policies. Also the IDA is involved here.

Finally, I wish to point to the great area of trade, our international trade, which is our great plus in our balance of international payments. If we do the right thing with our AID programs—as if we do the right thing in our welfare programs—AID programs should be designed to get nations on their economic feet so that it will be trade and not aid, just as welfare programs, if they are properly designed, are to help human beings get on their economic feet. But if you do not design these programs with care, you will keep people in permanent welfare. Similarly, you will keep nations in permanent welfare. You do not get gratitude nor should we get gratitude for keeping either people or nations in a welfare handout situation.

I shall take time during general debate, hopefully, to point up some matters that I think go to the question of whether we are putting nations on their economic feet and are failing to do the proper synthesis with these various programs that bear on the same issue. Our failure to go into details in many, many instances, in my judgment, has brought us to the position where AID and foreign aid are actually working in opposite directions to getting nations on their economic feet.

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

The previous question was ordered.

The resolution was agreed to.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9547) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, and for other purposes.

The motion was agreed to.

IN COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9547, with Mr. DELANEY in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. PATMAN] will be recognized for 1 hour, and the gentleman from New Jersey [Mr. WIDNALL] will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas.

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

Mr. Chairman, the Subcommittee on International Finance of your Committee on Banking and Currency heard testimony from administration and private witnesses on May 3 and 4 on the bill H.R. 9547, to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in tne resources of the Fund for Special Operations of the Inter-American Development Bank, and for other purposes. The full committee received testimony from administration witnesses on May 9. On May 10, the committee voted to report favorably on the bill, without amendment, and to recommend that the bill pass.

This bill amends the Inter-American Development Bank Act to authorize the U.S. Governor of the Bank—the Secretary of the Treasury—to vote in favor of the resolution of the Governors of the Bank entitled: "Increase of $1,200,000,000 in Resources of Fund for Special Operations." This bill also authorizes, upon adoption of the resolution of the Governors of the Bank, the payment into the Bank, without fiscal year limitations, of a U.S. contribution to the Fund for Special Operations—FSO—of the Bank in the amount of $900 million. Pursuant to annual appropriations, the United States would make payment of $300 million per annum as its contribution to the FSO during fiscal year 1968, 1969, and 1970. Each of these three annual payments would be made in the form of a letter of credit, and U.S. budgetary expenditures would coincide closely with the actual use of the funds in loan disbursements out of the FSO. The resolution of the Governors of the Bank also provides for $300 million equivalent in contributions by the Latin American members of the Bank, in their own national currencies, to be paid into the Bank also in three equal annual installments.

This bill also amends the Inter-American Development Bank Act to authorize the U.S. Governor to vote in favor of the resolution of the Governors of the Bank entitled "Modification of Provisions for Election of Executive Directors." The adoption of this resolution will amend annex C of the agreement establishing the Bank, which governs the procedures governing the election of the six Executive Directors of the Bank representing the Latin American members. This will result in no change in existing provisions of the agreement governing the appointment of the U.S. Executive Director, the voting power of the United States in the Executive Board, and the participation of the United States in the Bank.

The resolutions of the Governors of the Inter-American Development Bank referred to in this bill were unanimously adopted at the eighth annual meeting of the Board of Governors of the Bank, held in Washington, D.C., April 24–28, 1967. At that meeting the United States was represented by its Governor, Secretary of the Treasury Fowler. It was the unanimous recommendation that the member governments approve an expansion of the Bank's Fund for Special Operations—FSO—by $1.2 billion, of which the U.S. share would be $900 million.

The new resources authorized by this bill would make it possible to sustain an adequate level of FSO loan operations during the 3-year period from approximately early 1968 until early 1971. The $300 million annual U.S. contribution represents an increase of $50 million over

the current level of $250 million and will permit the Bank to expand high priority activities in the fields of agriculture, education, and health, and to undertake new initiatives in the field of multinational project financing, in accord with the declaration of the Presidents of America at their April 1967 meeting.

THE INTER-AMERICAN DEVELOPMENT BANK

The Inter-American Development Bank came into being in 1959, began operations in 1960, and made its first loan in 1961. Its membership includes all of the members of the Organization of American States. Cuba is no longer eligible to join the Bank. On July 10, Trinidad and Tobago became a full member of the Bank, the first new member since the Bank was established with an original membership of 20 nations.

The Inter-American Development Bank has in a very real sense become the "Bank of the Alliance for Progress"—providing leadership as well as funds for the economic and social advancement of Latin America. The Bank has assumed an important and growing role in Latin American development, both from the point of view of actual project financing and from the point of view of development planning and programing. In its lending decisions, it applies both rigorous project criteria and broader criteria of economic performance and self-help by the borrowing country.

The Bank carries out its lending operations through two "windows," the ordinary capital and the Fund for Special Operations—FSO.

NEED FOR INCREASE IN RESOURCES

The Executive Directors of the Bank estimate that the rate of commitments in 1967 will reduce funds available at the beginning of 1968 to approximately $64 million, which would imply exhaustion of the FSO's resources within the first quarter of 1968. The requested increase in FSO resources are necessary if the Bank is to continue and expand the magnitude of financing it provides to the top priority areas of agriculture, education, and health and to perform the roles of leader and catalyst in the further development of Latin America.

At the April 1967 meeting of the Presidents of America, the Bank's prospective role in the financing of multinational projects was further emphasized as contributing to the common market goal which the Latin American Presidents have set for themselves.

The Bank expects to devote up to a total of $100 million annually to multinational projects, using as appropriate in specific instances, resources from both the ordinary capital and the FSO. The Bank will also devote increased resources to agricultural investment. The Bank has been the outstanding external institution in the financing of agriculture, having allocated a greater proportion of its resources to this area than any other agency. Since well over 50 percent of the people of Latin America are engaged in agriculture, the Alliance for Progress cannot succeed unless there are direct and substantial inputs into the agricultural sector.

LATIN AMERICAN SELF-HELP EFFORTS

H.R. 9547 is presented against a background of far-reaching decisions taken by the Presidents of the Americas at Punta del Este, Uruguay, on April 14, 1967. A significant feature of this Conference, and the "Declaration of the Presidents" which emerged from the Conference, was the increased awareness of the crucial role of Latin America's own efforts in the struggle toward betterment of the lives of the peoples of the Americas.

The doubling of the Latin American contributions to the increased FSO is a decision of major significance in this regard. The proposed U.S. contribution to the increase of the resources of the FSO stands in a ratio of 3 to 1 to the proposed Latin American contribution. This represents a substantial improvement in this ratio since the establishment of the FSO. Taking into account the resources contributed by the United States through the Social Progress Trust Fund, the United States in the early years of the Bank contributed approximately $11 to every $1 contribution by the Latin American countries. This ratio was reduced to 5 to 1 in 1965, when the U.S. contribution of $750 million was matched by Latin American contributions of $150 million equivalent.

In addition, the proposal includes an extension of the self-help principle to that of mutual self-help. This is the first occasion that a formal arrangement is being contemplated whereby assistance will be provided from the stronger to the weaker of the Latin American countries. The four Latin American nations with the largest quotas in the Bank—Argentina, Brazil, Mexico, and Venezuela—which are also countries with a relatively more substantial resource base and financial capability, have agreed to the Bank's use of a portion of their expanded FSO contribution for the purpose of making loans to other members of the Bank. In effect, therefore, these four countries have agreed to give assistance to others, through the medium of the FSO.

Self-help efforts have been increasingly recognized and promoted with growing effectiveness in the inter-American system and in the Bank. Only in this way can there be assurance that the funds being requested can in fact accomplish the intended purpose and make possible progress toward the objectives of the Alliance for Progress.

U.S. BUDGET AND BALANCE OF PAYMENTS

The authorization provided for by H.R. 9547 will require, in the fiscal year 1966 budget, an appropriation to provide the first $300 million installment of the U.S. contribution to be paid by December 31, 1967. As that payment will be made in the form of a letter of credit, it will not entail budgetary expenditures until such time as the funds are actually disbursed under loans committed by the Bank. No budgetary expenditures are expected in fiscal year 1968.

The issuance of letters of credit to the Bank, in payment of U.S. contributions, will also have the effect of deferring any balance-of-payments impact from these payments until funds are actually required for FSO loan disbursements. Only at such time—at a substantial interval after funds are appropriated—will the utilization of letters of credit entail any outflow in our international accounts. Any such outflow will, however, coincide with the recording of U.S. receipts derived from the expenditure of these funds for project goods and services in the United States, resulting in only minimal impact on the U.S. balance of payments until about 1970. The proposal includes the continuation of procedures to tie the use of U.S. contributions to the procurement of goods and services in the United States.

The Bank is expected to complete the commitment of the $900 million to loans in early 1971. Loan disbursements of the U.S. contribution in the next 3 years are expected to approximate $165 million. Of this amount, at least $150 million would return to the United States and the remaining $15 million would represent the net balance-of-payments cost to the United States during the next 3 years ending 1970.

The Bank and its Directors have displayed a cooperative attitude toward the problems faced by the United States in making assistance available under difficult balance-of-payments circumstances. They recognize the U.S. balance-of-payments problem as a problem of interest to the Bank and its member countries, and one requiring joint cooperative efforts. The proposals recognize the existence of this problem in two ways: by an effort to hold the dollar financing of local costs to a minimum, and by the continued review of aid-tying procedures and their modification as necessary to strengthen their effectiveness. The Bank specifically proposes that the portion of dollar loans which may be used for local costs in all activities other than agriculture and education be limited, on the average to the level of 1966.

Considerations of the U.S. balance-of-payments position make it essential that every effort be made to assure that the expenditure of the funds provided under this bill will result in additional U.S. exports of goods and services and do not substitute for U.S. commercial exports that would have been purchased in any event by the country or countries receiving assistance. The cooperation toward this end already apparent in the Bank and its member countries, and the clear and forceful statements of policy made by the Secretary of the Treasury before the committee, and on other occasions, are most encouraging.

ELECTION OF EXECUTIVE DIRECTORS

The bill under consideration also provides for a change in the procedures for electing the Executive Directors of the Bank. There are seven Executive Directors of the Bank. The United States appoints one Director. The remaining six Directors are elected by the Latin American members of the Bank in accordance with established procedures. The proposed amendment will make it possible for the Central American countries to have a single representative on the Executive Board—as had been originally intended. These countries, which are associated in a common market arrangement, desire to speak as one in the councils of the Bank, in recognition of the increasingly strong bonds of unity among them.

The position and representation of the

United States in the Bank is not affected in any way by this proposal. The U.S. Executive Director will continue to cast 42 percent of total votes.

CONCLUSIONS

The Alliance for Progress has entered a new phase. The Presidents of America meeting at Punta del Este in April 1967 laid down an "action program" calling for increasing self-help efforts, greater attention to the problems of agriculture, education, and health, and new action to launch the implementation of multinational infrastructure projects.

The Inter-American Development Bank in its 7 years of existence has established itself as an effective instrument for Latin America economic and social progress. The Bank has shown its ability to commit funds on a sound basis and to carry through efficiently with the actual implementation of projects.

The Presidents at Punta del Este assigned new responsibilities to the Bank. If the Bank is to carry out its assigned mission, it must be provided with resources necessary to the task.

I urge, and your Committee on Banking and Currency urges, the early passage of H.R. 9547.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WIDNALL].

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

Mr. Chairman, I find myself in a peculiar position this afternoon on the bill before us.

I want to make it clear to the House that I support H.R. 9547 and have been since 1959 a consistent supporter of the Inter-American Development Bank.

You will note, however, in the committee report before you that I did sign the minority views signed by 13 members of our committee. These views, written some 2 months ago, addressed themselves to the balance-of-payments question as it relates to increased U.S. commitments to the Bank's Fund for Special Operations. The minority at that time, including myself, was disturbed over the fact that there was ample evidence that too much dollar leakage was occurring through the so-called letter of credit arrangement whereby the United States attempts to hold a minimum adverse balance-of-payments impact of the Bank's use of dollar investment for project development. I anticipate an amendment will be offered later on acceptable to the majority side and to the administration which will attempt to further clarify in statutory form congressional concern over adverse balance-of-payments impact resulting from Inter-American Development Bank operations.

The second point covered in the minority views was over the dollar amount. At the time that the minority views were written, I joined with 12 of my committee colleagues requesting that U.S. contributions to the Inter-American Development Bank's Fund for Special Operations remain at the current $250 million per year authorization level. President Johnson requested a 20-percent increase to $300 million per year for 3 years.

The reasoning of the minority is still valid in that, at a time when our commitments in Vietnam and our obvious commitments to our cities is so demanding, that we can hardly afford substantial increases in our foreign assistance programs. It was our thought that the times demanded that we hold our commitments to current levels at least.

After a great deal of thought, I have decided to support the President's request for the full $900 million. This decision was based on the awareness on my part of the damage to U.S. prestige in Latin America that would result from Congress refusing to go along with the modest increased U.S. commitment to hemispheric economic development promised by our President at the Punta del Este Conference. Moreover, speaking as a Republican, my party has always emphasized the need for increased U.S. involvement in our own hemisphere as opposed to vast increases in foreign aid throughout the world. Furthermore, I am reminded of the Republican state of the Union message last January wherein the Senate minority leader emphasized the need for concentrating our attention to our neighbors in Latin America.

Having expressed my support for the basic purposes of the legislation before us, however, I have come to the conclusion that the House would be making a grave error in judgment if we passed this bill today.

Mr. Chairman, notwithstanding my firm support for the Inter-American Development Bank, at the appropriate time I shall ask that the bill be recommitted to the Committee on Banking and Currency.

The reason that I firmly believe that passage of this legislation must be delayed is entirely due to recent shocking disclosures concerning U.S. arms sales to foreign countries. Within the past 10 days, our committee has learned for the first time of the full extent of U.S. arms sales abroad and the devious means for their financing. During the past 5 years, more than $11 billion of U.S. arms have been sold to foreign countries. Of this amount, nearly $2 billion has been financed through the Export-Import Bank. There is absolutely no question in my mind that a concerted attempt was made by the highest officials of our government to maintain a cloak of secrecy over the extent of these arms sales and the means of financing part of them through the Export-Import Bank.

Last Monday, our committee heard from witnesses from the Departments of Defense and State as well as the Export-Import Bank. For the first time, our committee—the committee with primary jurisdiction over the Export-Import Bank—was told that we have been blindly authorizing billions of dollars of additional lending authority to the Bank, a substantial portion of which financed the sale of arms.

Most shocking of all, however, was the revelation that many of these sales were accomplished through what the distinguished Senator from Missouri, the day before yesterday, appropriately termed "trickery." I am referring to so-called country X accounts whereby the Eximbank provided credits for arms sales through guarantees from the Department of Defense to nations, the identity of which the Bank itself did not even know. Nor, for that matter, did the Bank know the items which were being sold. The Bank, in fact, stressed that it did not want to know either the identity of the countries or the identity of the arms sold. Apparently, the Bank would have been embarrassed and did not want its reputation tarnished.

Let me make this point abundantly clear, at this moment, the reputation of the Export-Import Bank has indeed been seriously damaged throughout the world.

As has been reported, about 75 percent of these country X loans, or approximately $450 million worth, went to four Middle Eastern countries—Iran, Saudi Arabia, Jordan, and Israel. As a matter of fact, I suspect a substantial amount of the Bank's collateral is scattered over the Sinai Desert.

But more important in terms of the bill that we have under consideration is the fact that five country X recipients are in Latin America. They are Brazil, Argentina, Peru, Chile, and Venezuela. At least two of these countries either have already received, or are negotiating for, the purchase of late model military fighter-bomber aircraft. We are told that these aircraft are for "internal security." We have also been advised that these Latin American military sales have been undertaken to combat "Castroism," while the American people in the meantime have been assured that Castro is not a hemispheric threat. The inconsistencies of the administration in this regard are too obvious to justify serious rebuttal.

The Congress has been told in the last week by the administration that country X loans were made through the Eximbank with the clear authorization provided in legislation approved by Congress. In fact, we were told that we knew what we were doing right along. This simply does not square with the facts. The basic authority for Eximbank participation was contained in the Foreign Assistance Act of 1964. On page 225 of the Senate appropriations hearings on the foreign aid bill in 1964, Secretary McNamara assured the Senate Appropriations Committee that the Export-Import Bank was not chartered for the purpose of underwriting military arms sales, nor would it be used for such purposes. On Monday of this week the senior Senator from Missouri, a member of the Senate Foreign Relations Committee, insisted that neither he nor any other member of that committee had any idea that the Eximbank was so deeply involved in the sale of arms.

It will be maintained here on the floor today that the controversy surrounding the U.S. arms sales program has nothing to do with the Inter-American Development Bank. Nothing could be further from the truth. In the first place, it is very much the business of Congress to inquire as to the proper role of U.S. credits for arms sales. We should be concerned with the question of whether or not easy and long credit terms—some as long as 12 years—in fact, encourage the purchase of sophisticated and expensive weaponry by underdeveloped Latin American countries that otherwise would

not occur if the credit terms were not so generous.

It is our business to inquire as to whether or not we should at this time substantially increase U.S. contributions to the Inter-American Development Bank when we are not fully apprised of the extent of arms sales in that part of the world.

Indeed, it can be proven beyond any doubt whatsoever that the letter of credit arrangement provided by the Inter-American Development Bank can create a substitution factor whereby U.S. dollars are diverted from economic development projects to the purchase of U.S. arms. Let us take an example of a $100,000 agricultural school somewhere in Latin America. Under present arrangements a letter of credit for $100,000 would be extended to country X in Latin America for construction of that school building. Let us assume that approximately 60 percent of the cost of that project, or $60,000 would be the local project cost. The local project cost would cover such expenses as purchase of land, purchase of materials, and local labor. While the applicant country would receive $100,000 for the full cost of the school, $60,000 worth of the project would be paid for out of local currencies, thereby permitting the applicant country to take the $60,000 and use it for the purchase of arms from the United States. Under the letter of credit arrangement there is absolutely no protection against this diversion of dollars from economic development to the 10- or 20-percent hard currency downpayment required in most instances for arranging 10-year credit terms for the purchase of fighter-bomber jet aircraft. I in no manner wish to suggest that the Inter-American Development Bank has in any way involved itself in arms purchases. Nevertheless it is obvious that dollars may have been provided through Inter-American Development Bank letters of credit that have resulted in the purchase of arms.

Let me also remind the House that earlier this year we had before us President Johnson's Latin America resolution, a resolution expressing the general support of the Congress for the thrust of his commitments he wished to make at the Punta del Este meeting. The House passed that resolution and it got nowhere in the Senate. Likewise the bill we have before us today has not as yet been reported favorably from the Senate Foreign Relations Committee, nor is it likely to be until that committee considers the foreign aid bill. There certainly is a strong possibility that the Senate in its constitutional role of advice and consent on matters of foreign policy will insist upon a full and complete review of our arms sales program before taking up either the foreign aid bill or any foreign lending bills, such as, the Inter-American Development Bank bill. Are we going to once again obediently and passively obey the desires of the executive branch only to see the Senate exclusively exert the proper role of Congress by delaying any action on the Inter-American Development Bank bill until an arms review takes place?

There can be no question that the administration has not leveled with the Congress in the matter of arms sales and is not likely to unless at least some "must" legislation is delayed.

I realize that this House, and for that matter, nearly every American today is preoccupied with the tragic situation in many of our Nation's cities. We are involved in perhaps the worst domestic crisis in our Nation's history. Nevertheless, if there is any single issue of equal or more importance than the anarchy of our cities it is the question of world peace and the role of an unlimited arms race in threatening that peace.

The world's largest private arms broker, Mr. Samuel Cummings, of Interarmco, testified a few weeks ago that his company and other foreign arms brokers are very active in Latin America. At this very moment a letter exists in the State Department requesting urgent consideration for permission from State and Defense to permit private arms brokers to negotiate the sale of the huge arsenal of weapons existing in NATO countries which will be sold to underdeveloped countries in the next few years. In Europe alone there are more than 7,000 late model tanks and countless numbers of late model jet aircraft whose present owners are anxious to sell to less developed countries in order to recoup enough money for the downpayment on newer equipment.

We can only guess that a substantial amount of this equipment will wind up in Latin America.

I do not know the answer to the dilemma presented by the international arms race. I know that the United States cannot unilaterally remove itself from this race so long as the Soviet Union and Red China continue in their present course. Although I do not know the solution I nevertheless insist that Congress cannot be expected to suggest a solution until we know the facts. These facts have been withheld from our view deliberately. Of one thing I am certain, and that is long term, easy credit arrangements to underdeveloped countries encourage a level of arms purchases that otherwise would not occur and that such purchases require an entirely too large percentage of hard currency investment such as that which we try to provide through institutions like the Inter-American Development Bank.

It is imperative that we seek these facts and look for a reasonable solution before considering additional contributions to the Inter-American Development Bank. In spite of my firm support for the Bank, I urgently ask the House to join with me later this afternoon in recommitting to our committee H.R. 9547.

The CHAIRMAN. The gentleman from New Jersey has consumed 15 minutes.

Mr. MULTER. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, it is an honor to take my place in the well here after the support shown for the full $900 million authorization by the very able and distinguished chairman of the Committee on Banking and Currency, the gentleman from Texas [Mr. PATMAN], and after the equally inspiring statement by that fine man, the ranking minority member of the Committee on Banking and Currency, the gentleman from New Jersey [Mr. WIDNALL].

The Inter-American Development Bank is an outstanding institution. Under three Presidents and under all Congresses since 1959, we have given it our vigorous support. It has been one of the finest investments we have made, because here are the fruits of 7 years of the Inter-American Development Bank:

Five million acres of new farmland brought into production, giving a little hope to the poverty-stricken campesinos of Latin America;

Eight thousand miles of electric transmission lines;

Nine thousand miles of highways;

Two thousand water supply systems;

Two hundred and fifty sewage disposal works;

Seventy-three colleges and universities aided; and

Three hundred thousand homes built for low-income people.

Sure, it is true today that in Latin America there still is a military. I wish all countries could boast of the wonderful record of Costa Rica, where they do not have any soldiers. Or in Mexico, where they cut down their military budget, and spent the money for new strains of grain and new strains of corn instead.

But I would point out that throughout the length and breadth of the South American Continent, the total spent on the military by all countries is 2 percent of their gross national product. That is the lowest amount spent by any continent in the world.

So far as I am concerned, it is about 2 percent too much.

But nevertheless, I think we ought to make some contact with reality on it.

I was as deeply distressed as the gentleman from New Jersey [Mr. WIDNALL] at the revelation of the news to us just a few days ago that the Export-Import Bank, an entirely different agency from the Inter-American Development Bank, had eased itself into the business of cut-rate arms sales.

I think there are a lot of things wrong with that. One thing is that the Congress is not fully informed on this. I intend to join with the gentleman from New Jersey [Mr. WIDNALL] and others. When an agency that slides into the business of being merchants of death comes before us, I intend to impose a "truth in lending" amendment on them. I know we can work together on that.

But that has nothing—but nothing—to do with the Inter-American Development Bank. If another agency has strayed from the path of peaceful help and development aid, as apparently the Export-Import Bank has strayed, thank Heavens there is an organization, the Inter-American Development Bank, that has not strayed—and, by its charter, cannot stray.

I have a letter that I am going to insert in the RECORD in full when we go back into the House, from the Under Secretary of the Treasury, the Honorable Joseph W. Barr, which was delivered to me this morning and which states in the most unequivocal terms:

The Inter-American Development Bank can use none of its funds directly or in-

directly for the purchase or sale of military equipment.

He goes on to state, in effect:

In reviewing the self-help necessary from those Latin American countries, the bank takes into account whether they are squandering their funds on military equipment and does its best to prevent such squandering.

The full text of Under Secretary Barr's statement follows:

THE UNDER SECRETARY OF THE TREASURY,
Washington, D.C., July 26, 1967.

Hon. HENRY REUSS,
Chairman, International Finance Subcommittee, House Committee on Banking and Currency, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of Tuesday, July 25, 1967, concerning the policy of this Government on arms sales and the Inter-American Development Bank.

In the first instance, let me state emphatically and categorically that none of the funds of the Inter-American Development Bank are being used or have been used, directly or indirectly, for the purchase or sale of military equipment. The agreement establishing the Bank specifically provides that Bank resources are to be devoted solely for the purpose of economic development. It would be impossible under the provisions of the Bank's charter for funds to be made available for the purchase of military equipment.

As a principal contributor to the resources of the Bank, we are particularly concerned with insuring the Bank's success in achieving economic development. United States officials, having responsibility in the conduct of the affairs of the Bank, review project proposals in the context of country development programs to insure the best use of our taxpayers' dollars in achieving the Bank's goals of economic development. Clearly, the United States Director to the Bank would object to any project involving the purchase or sale of military equipment. I might add that as the Bank is a multinational institution, Bank Directors representing other member States would, I am sure, similarly object to any such projects.

In addition to the project-by-project review, there is an annual review of member country development programs. One of the factors involved in the Bank's review, in coordination with CIAP (Committee for the Alliance for Progress), of member countries development programs is the consideration of the appropriate allocation of national resources. This annual review process provides an opportunity, apart from the direct lending program of the Bank, to determine whether a member is obligating a disproportionate amount of his budget for military expenditures. The U.S. participates in and fully supports this country review program.

I can assure you that it is the policy of this Government to hold arms sales in Latin America to an absolute minimum through our bilateral efforts and through our efforts to limit arms procurement by regional cooperation.

Sincerely,

JOSEPH W. BARR.

So, Mr. Chairman, nothing could be less relevant to this Inter-American Development Bank bill than an attempt to sidetrack it because there is something wrong with another bill or lending institution.

It is as if we took out our pique because of the takeover in Greece by the military, a few weeks ago, by dissolving the American Peace Corps.

In plain Latin, it is a non sequitur. In plain English, "It doesn't analyze."

I hope when the motion to recommit is made it will be voted down with a gentle flutter of votes. Then we will get to the vote on the main issue of the Inter-American Development Bank. I know the gentleman from New Jersey [Mr. WIDNALL] will be out there voting for that great bipartisan measure in favor of keeping our commitment.

Because, Mr. Chairman, this is a commitment. For 9 years and under three administrations, on a bipartisan basis, we have been going forward.

On March 13, the President came here with a message in which he asked the House to express our sentiments on whether we wanted to send him down to Punta del Este and work for an expanded and even finer Alliance for Progress.

On March 27, by a vote of 234 to 117—a 2-to-1 majority—we of the House told the President, "Yes, go down there. Work with our friends south of the border." He did it. He went to Punta del Este. There the Presidents of all the Latin American countries and of our country pledged a new revival of the Alliance for Progress, one which would hold aloft the goal of better agriculture and education, and a common market for the whole continent, together with works of international integration like roads and communication systems. And the Latins responded generously. They doubled their contribution. We on our part, having given so much already, said that we would merely raise ours by one-sixth, which we did.

Now the fruits of that meeting are before us today, and I am confident that the Congress, viewing the matter from its vantage point of today, will honor that commitment and respond to the urgings of our Latin American friends.

As to the budget impact in this fiscal year—and I agree with the gentleman from New Jersey that this is a fiscal year of budgetary stringency—the fiscal impact in 1968 would be zero dollars; in 1969, a low $25 million; in 1970, $75 million—thus in the next 3 years, a total of only $100 million. Sure, in later years, as we honor our commitment, there will be a budgetary impact. But when I look at the budgetary impact this year for armaments and weapons of destruction of $75 billion and compare that with the budgetary impact of the Alliance for Progress' Inter-American Development Bank, contained in this bill, for fiscal 1968 of zero dollars, I would not say we are going overboard on peaceful development with that kind of ratio.

I rejoice, too, in the fact that due to shrewd and farsighted American diplomacy, we have lowered the American contribution to the total from the 11-to-1 ratio—11 United States, one Latin American—that it has been, down to 3 to 1 today. That is progress in self-help.

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

Mr. REUSS. I yield briefly to the gentleman from Iowa.

Mr. GROSS. What is the sentiment in the Senate with respect to this legislation?

Mr. REUSS. The other body, of whom it is not permissible under parliamentary procedures to speak in a derogatory way, which inhibits my telling the whole truth, somehow, lost this in the shuffle. But I am proud to say that the House of Representatives speaks for the House of Representatives, and we spoke with an overwhelming voice, which I hope will be overwhelmingly validated today.

This country and the people of Latin America share the same history from the time of Columbus on. The people of Latin America, coming largely from Europe, made their peace and worked out their relationships with the Indians, the Aztecs and the Incas. They, like us, were infused by new waves of immigration, the Germans and the Italians, among them who are now blended into the bloodstream of Latin America.

These are the people—these Europeans and Americans—who are now making the new peaceful revolution in Latin America, the peaceful revolution which can stop the writ of Fidel Castro from running any further, the peaceful revolution which can transform the old cliche and stereotype of the lazy Latin American taking his siesta in the noonday sun, into today's picture of the new breed of men in business, in government, and in the professions who are working for their country and are anxious to put down militarism and to walk in the noonday sun instead of squatting against the adobe wall.

That is why I say: Since we are a country with a $700 billion gross national product every year, I think we can afford $300 million a year for the Alliance for Progress. "From those to whom much has been given, much shall be required." The $300 million that we are asked to give is a small amount indeed in relation to the need. I hope the power and passion of the House will go forth today to tell the people of Latin America that the people of the United States still care.

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

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

Mr. GROSS. Mr. Chairman, the gentleman, I am sure, will pardon me if I cannot indulge with him in this flight of fancy born of a noonday siesta, that tells him that the oligarchies in Latin America will be eliminated by the terms of this bill or any other similar bill.

Mr. REUSS. No, the tax evaders of Latin America will fight their last-ditch battle, as will the tax evaders of this country.

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

Mr. GOODELL. Mr. Chairman, I rise to pay tribute to the Inter-American Development Bank, and particularly to the role it has played in the economic growth of Latin America. The Bank more than any other agency has pursued an enlightened and wise philosophy of development, by financing people-oriented programs.

I do not believe we should permit it to become a casualty of Mr. Johnson's war in Vietnam.

Very clearly this legislation will have a negative impact on both the alarming budgetary deficit, and the balance of payments, as will every penny authorized by the Congress.

It is equally clear that we are authorizing an expenditure of $300 million a

year, although the disagreement is apparently limited to the increase of $50 million.

It is often said that foreign assistance has no constituency. This is only half of the story. It is more accurate to say that foreign assistance has no constituency, except our children to whom we pass on the fruits of our efforts. It is the next generation of Americans for whom we hope we are structuring a world more conducive to the pursuit of life, liberty, and happiness.

Foreign assistance should be viewed as the preventive medicine of national security. The problems which compel maintenance of a $75 billion Defense Establishment are those which, ideally, foreign assistance should be designed to solve. These problems which know no national boundaries will not simply wither away, but on the contrary may well engulf mankind if left unattended.

Certainly, the results of 20 years and $115 billion of assistance are disappointing. More than $45 billion has been spent in the nations which have given us the Middle East crisis, Charles de Gaulle, a starving India, and the daily expenditure of $66 million a day in Vietnam.

On the positive side of the ledger, there are successes. Most notable among them is the Alliance for Progress, which to be sure is confronted with major problems. Yet with the expenditure of about $13 billion, including the Inter-American Bank, there are many signs of hope. Despite intensive efforts by all shades of communism, Latin America remains more firmly committed to the traditions of democracy which bind together all Americans, than any other area of the world.

This points up a principle at stake here. Our interest in the Americas transcends our commitment to foreign assistance. By reason of traditional ties, geographic proximity and common dedication to the principles which brought independence to the New World, the Inter-American system is a special case. We must not permit the mistakes in the Old World to cloud our successes in the New.

It is well to remember that while spending $1 billion to support Nasser in Egypt, we spent only $52 million trying to prevent the rise of Castro in Cuba. One can only wonder where the priorities went.

Hopefully this lesson of the past throws some light on the future we are building for the next generations of Americans.

Let none forget that in the vastness of Latin America there are proven oil reserves at least equal to our own and vast areas yet to be explored. Almost all of the basic minerals are known to exist in substantial quantities. The vast areas of virgin land offer the greatest hope for feeding an increasingly hungry world.

In Brazil, whose population is second only to ours in the Atlantic Community of Nations, I have seen the spectacular industrial evolution of São Paulo, now a city of 7 million woven into an industrial complex comparable in sophistication to Chicago or the Ruhr. I can assure you that these people will move forward to assume a major position among the industrial powers of the world. It is important to my sons and yours that these people continue their traditional friendship with us.

Beyond these considerations of self-interest, there is a less pragmatic question of our national integrity before the world. In formulating the Alliance for Progress, The President and Congress together forged a program committing the ingenuity and resources of the United States to the cause of social justice throughout the Americas. Accepting the challenge of communism, our Government proclaimed that our system of free men working within the framework of individual liberty best serves man's legitimate aspirations for social and economic justice. Through the Charter of Punta del Este, we in effect restate the principles of our Declaration of Independence, and offer to prove their applicability to today's world through the work of the Alliance. It is imperative that we remember this pledge, for the world has not forgotten.

The state of the Alliance today, despite the successes often enumerated by its advocates, is a cause for alarm. At the beginning, the goals established at Punta del Este were too optimistic. They probably could not have been met in the decade of the sixties simply because too much was promised in too short a time. Certainly they were impossible to achieve within the framework of the resources allocated. Basically, these are the goals established by our Government. They have been the basis of the policies of the contemporary leaders of the nations of the Alliance. Certainly, we as elected representatives can understand the political implications of the failure to deliver on the promises made to our constituencies.

One of the great fallacies in implementation of the Alliance has been the failure to recognize certain fundamentals of the economics of development. The people themselves must be involved in the development of their own capacities as a predicate to national economic expansion. We have consistently failed to place our emphasis on modernization of the rural areas and development of healthy agricultural bases as a springboard for industrial development. It is precisely here that the policies of USAID have contributed to the faltering of the Alliance. It is precisely here that the Inter-American Bank has performed best.

From its three sources of funds—the Social Progress Trust Fund, ordinary capital, and the Special Operations Fund—a total of $1.12 billion has been loaned through calendar 1966. Of this figure $427.6 million has been allocated to agricultural projects having a total cost of $1.3 billion. Of the $623.6 million allocated to housing and environmental sanitation, at least 25 percent has been spent in rural development. In short the Bank more than any other agency has exercised better judgment in the allocation of its resources than have the other organs of assistance.

Mr. WIDNALL. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Chairman, I rise in support of this bill, although I fully intend to support an amendment to cut the $900 million authorized funds back to $750 million. In my opinion, that is more than enough money to pour down the drain in South America where the rich are getting richer and the poor are getting poorer because the United States refuses to pressure the local fat cats into changing the tax laws and helping their own people. I will oppose any increase in foreign aid to Latin America which expects the American taxpayer to assume a load which is not imposed on Latin American tax evaders.

I do not believe that this reduction will jeopardize our programs in Latin America—most of them are no good anyway, so that we have nothing to lose. The real problem in Latin America is concentration of wealth, unfair taxation, and insufficient distribution of land—and none of this has been cured by the Alliance for Progress because the South American fat cats do not pay much attention to the pleas of American planners when the money comes anyway. Our Latin American programs will be no good unless and until we put some teeth in them.

Now of course there are those who will get up and say that we are selling the future of Latin America down the river, ignoring the fact that Latin America refuses to help itself. I think it is time to face real facts, both in the slums and in Latin America, that we are wasting time and money giving handouts to those who will not help themselves.

Anyone who doubts that Latin America refuses to put its own house in order should read the testimony given last week before a House Foreign Affairs Committee subcommittee by Thomas C. Mann, former Assistant Secretary of State and Director of the Alliance for Progress. Mr. Mann told the subcommittee which was chaired by our distinguished colleague, the gentleman from New York [Mr. FARBSTEIN], that Latin America was so riddled with graft that it ate into the economic confidence of the people and inhibited local ability to mobilize development capital. Furthermore, Mr. Mann told the committee that the Latin American economic systems of today are neither feudal nor modern, but are "rather a patchwork, containing some of the worst features of each system."

Mr. Chairman, until Latin America puts its own house in order, we are just wasting U.S. taxpayers' dollars by laying out foreign aid—and this is foreign aid money we are talking about here today, make no mistake about it.

To return to the testimony of former Assistant Secretary Mann, he said that Latin American nations would have to stop running up huge deficits and inflating their currencies. This is nothing more than commonsense, of course, because as long as Latin American currencies are not reliable, local capital formation will be risky at best and Latin American money will be sent abroad—to Miami Beach or Switzerland.

Our Government keeps pouring aid into Latin America without insisting that these conditions be rectified, and yet if Congress suggests that our foreign aid is

not working and ought to be cut, our negligent administration screams that we will lose South America. In my opinion, this is a most ridiculous assertion.

As we said in our committee minority views, the Republican position on this bill is very simple: "Sooner or later, Congress will have to choose between the shopworn trumpets of doom and the swelling murmurs of discontent from the folks back home." With no ifs, ands, or buts, we Republicans are for paying attention to the wishes of the American people, and you all know that the people of this country are sick and tired of pouring money into foreign nations which refuse to and will not help themselves.

On the assumption that we will provide the usual $750 million for the Bank—and this is hard enough on our taxpayers—then I think that we must take a number of steps to see that this money is spent right here in the United States. To that end, later I will offer an amendment to more specifically "tie" the funds we will authorize to purchases within contributing nations—within the United States, in other words. There is no doubt that an amendment of this kind is mandated and called for by our balance-of-payments problem.

As a general principle, I favor the idea of international development banks which draw on the resources of many nations to make foreign aid a more viable and less political tool. When foreign aid is used for bribery—a common practice of our State Department—we often get "sucked into" situations where we have a vested interest in a shoddy government. Sometimes, as in the case of Vietnam, our foreign aid commitment has escalated into actual armed intervention. This is not the sort of foreign aid programing we want to encourage, and it can be avoided to some extent if we channel our aid through development banks. As I indicated, I favor the development bank concept in general, and I favor the idea of the Inter-American Development Bank. But despite my support of development banks, I do not feel that this is the time to raise the American contribution to the Inter-American Development Bank. Such a raise would not be in the best interests of U.S. taxpayers and certainly not in the best interests of the U.S. balance of payments. Therefore, I urge the Members of the House to support this bill, but certainly with a cut to $750 million.

Mr. REUSS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. ASHLEY].

Mr. ASHLEY. Mr. Chairman, the situation which confronts us today is somewhat unique. The legislation before us would authorize the United States to increase its contribution to the Inter-American Development Bank from $250 million to $300 million per year for 3 years to augment the Bank's economic development lending program through its fund for special operations.

We know, Mr. Chairman, that the Inter-American Development Bank enjoys a splendid reputation.

Few people will argue that it has accomplished more in the area of social development in Latin America in the last few years than all of the lending institutions combined. Under normal circumstances the legislative proposal can be expected to have broad bipartisan support. This fact is underscored by the statement of our distinguished colleague, the gentleman from New Jersey [Mr. WIDNALL], the ranking minority member of the Committee on Banking and Currency, to the effect that he has consistently supported the Bank and all operations for U.S. participation in this endeavor and that even he supports the full amount requested by President Johnson.

Mr. Chairman, the circumstances are not entirely normal. The gentleman from New Jersey [Mr. WIDNALL] indicates that, despite his support of the Bank and the legislation now pending before us, he is going to offer a motion to recommit, and he tells us that his reason for doing so is to cause or bring about a congressional review of U.S. arms sales to underdeveloped countries.

Mr. Chairman, I, too, am concerned over the extent of U.S. arms sales abroad and the means of financing these sales through the Export-Import Bank.

I submit, as does my good friend, the gentleman from New Jersey, that this institution, the Export-Import Bank, was not established for this purpose. Further, I agree that this matter should be reviewed. I am confident that a review will be undertaken.

I do not agree that the bill now pending before us should become the vehicle and the victim of a question which, in all truth, is collateral to the legislation before us.

From a procedural standpoint, it strikes me that the gentleman from New Jersey [Mr. WIDNALL] is seeking to recommit the wrong bill.

Our committee has reported the bill extending the authority and increasing the lending authority of the Export-Import Bank. If efforts were made to bring this bill—the Export-Import bill—to the floor before the question of arms sales is sufficiently taken care of and resolved, then the motion to recommit would be entirely appropriate in my view and would undoubtedly receive bipartisan support and certainly the support of the gentleman from Ohio.

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

Mr. ASHLEY. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I should like simply to agree wholeheartedly with the gentleman from Ohio in his argument against the motion to recommit this particular bill.

It seems to me most unwise that we should make a program, which has proven to be of such value, even a temporary victim of concern about the sale of arms. This bill should not be recommitted because we may feel it advisable that there be an inquiry into the extent to which arms sales are being encouraged and financed by this country.

I would like to reiterate what the gentleman is saying, that it would be most unwise for us to utilize this method to diminish or curtail a different program, one which is not involved in this legislation at all.

Mr. ASHLEY. I appreciate very much the statement of the distinguished gentleman from New Jersey.

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

Mr. ASHLEY. I yield to the distinguished ranking minority member of the committee.

Mr. WIDNALL. Mr. Chairman, I think the gentleman understands the point I am endeavoring to make, and that is that there is a connection between the economic help and military assistance programs as these programs apply to the economy of any of the underdeveloped countries involved.

I further feel that the time is long overdue wherein we are to completely understand what the right hand is doing in order to help and what the left hand is doing in order to encourage an arms race and the participation inevitably in an arms race means the unavailability of support for the domestic programs that are so necessary in housing, in education, in agriculture, and the like. The Latin American countries could participate further, if they were not encouraged to buy arms. I believe few understand the dilemma with which we are faced.

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

Mr. PATMAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. ASHLEY. Mr. Chairman, during the gentleman's statement did he not tell this body that there were, to his knowledge, arms sales, through the Export-Import Bank to four Latin American countries?

Mr. WIDNALL. Five.

Mr. ASHLEY. Five?

Mr. WIDNALL. Yes.

If the gentleman will yield further, this is not confidential information that I was disclosing, it has already been disclosed.

Mr. ASHLEY. Certainly, but the real situation we are concerned with here is an international lending institution. The Inter-American Development Bank is an institution which is comprised of 20 member countries. What we are saying, in effect, is that we should recommit the bill today, a bill which has to do with the funding of social progress development projects in 20 countries because of arms shipments which may or may not be appropriate in five instances.

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

Mr. ASHLEY. I wonder if I might finish my statement, then I will be happy to yield to the gentleman.

The point I was trying to make, Mr. Chairman, is that the appropriate remedy for Mr. WIDNALL, concerned as he is, with the sale of arms abroad financed through the Export-Import Bank, is the recommittal of the Export-Import bill which has not yet come before the House, and which must come before the House before it can be adopted.

Efforts to recommit the legislation before us, which has nothing to do with the Export-Import Bank or the financing of arms abroad, is not an appropriate remedy, and for a number of reasons which I believe to be extremely ill-advised.

We all agree that the Inter-American Development Bank is an enormously important institution, that its funds for special operations have played a major role for social development in Latin America.

It seems to me that this Bank and the legislation which relates to it should be treated on their own merits. We should not lose sight of the fact, as I have just indicated, that it is the Inter-American Development Bank. The United States is one member, and an important one, but there are 19 other countries that are members, and they are important also.

At the recent meeting in Punta del Este member countries met to negotiate increased contributions for the Bank, and the United States agreed to increase its annual contribution for special operations from $250 million to $300 million a year for the next 3 years. The remainder of this increase, $300 million will be provided by the Latin American nations.

We should note that the U.S. contribution does represent a reduction in our share of involvement in the Inter-American Development Bank in comparison with Latin American countries on two counts: first, U.S. participation in the fund for special operations would be reduced vis-a-vis the Latin American countries, and second, the U.S. contribution would stand in a ratio of 3 to 1 with the proposed contribution of Latin American members compared to a ratio of 5 to 1 which applied to the last increase in the fund for special operation resources in 1965.

Obviously, Mr. Chairman, the Inter-American Development Bank represents a multilateral undertaking in which the good faith and performance of each member country is essential if the important objectives of the Alliance for Progress are to be met.

The proposed motion to recommit should be voted down, Mr. Chairman, because it casts a shadow on the intensions of the United States to fulfill the obligations we agreed to at Punta del Este.

Our aim should be to strengthen Latin American determination and to encourage their larger financial role in the bank. A motion to recommit the bill before us will hardly meet these aims.

Mr. Chairman, I will be happy to yield to the gentleman from Tennessee at this time.

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

The gentleman, I believe, will agree that, although the Inter-American Development Bank cannot by its nature finance an arms race, the financing of local projects, local labor, and local materials, which is made available to these countries, does make available within the country additional dollars of credit that would not be available under any other circumstances. Those dollar credits can in turn, since they are there, be used for an arms race.

I believe this is what we are trying to get at.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. ASHLEY. I think the gentleman raises an incontrovertible point. It occurs to me that we did have testimony on this very point and the committee appeared to be satisfied at that time.

Mr. BROCK. I would point out that they were satisfied about the Export-Import Bank, too, until it was revealed that they were financing a couple of billion dollars worth of arms sales on which no testimony had been presented.

Mr. ASHLEY. Yes.

Mr. BROCK. But this is a very valid issue in international relations. I think the purpose of the recommittal motion is to force the administration, which has been conducting covert operations, to bring this matter before the Congress for a thorough review.

Mr. ASHLEY. I would say to the gentleman, I think this is an ill-advised mechanism to achieve that end because, after all, we are one of 20 nations engaged in the Inter-American Development Bank, and when we recommit this bill, if that is the action the House would take, it would be a reflection on the intentions of the United States in other countries that, after all, are being asked, and they have agreed, to increase their contributions.

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

Mr. ASHLEY. I yield to the gentleman.

Mr. BINGHAM. Is it not true that any sales that countries in Latin America make to this country create credits that could also be used to purchase arms? Is it not just as logical to say that the whole trade program with Latin America should be deferred pending the examination of this arms question?

Mr. ASHLEY. Yes. Of course, we are very deeply concerned with the arms question. This was explored during the hearings before the Committee on Banking and Currency on the bill that is now before us. There was considerable testimony and considerable questioning with respect to the generation of these credits and the purposes for which they were being used. It simply occurs to me that if we are now no longer satisfied with that testimony that this is an odd time to raise the point.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FINO. Mr. Chairman, I yield such time as he may require to the gentleman from Kansas [Mr. MIZE].

Mr. MIZE. Mr. Chairman, there are many reasons—both economic and humanitarian—why we should help the developing Latin American nations with their development plans.

These nations which share this hemisphere with us are highly deserving of the type of economic aid that is part of the overall Alliance for Progress—and in many instances—financed through loans by the Inter-American Development Bank.

I will not repeat the many remarks that have already been made in support of the Inter-American Development Bank Act—H.R. 9547. However, I wish to quote herewith from an article which appeared in yesterday's Wall Street Journal, which reports three typical loans made recently by the Bank. I quote this material as it is good evidence of the sensible approach this very worthwhile institution makes in helping Latin America. Let us not confuse the activities of this Bank with those of the Export-Import Bank. The two are entirely separate.

I quote:

WASHINGTON.—Brazil, Paraguay and Argentina received loans totaling $54 million from the Inter-American Development Bank for projects to increase hydroelectric power, aid industry and expand grain storage facilities.

Loans totaling $22 million to Brazil will be used to help finance a $64 million program under which credits are granted to small and medium size industries. One loan, for $13.3 million, will be repaid over 12 years beginning in 1970 and carries a 6½% annual interest rate. An $8.7 million loan from the bank's special fund will be repaid in 23 semiannual installments beginning in mid-1971. This loan carries annual interest of 3¾% and an annual service charge of 0.75%.

Loans totaling $17.5 million will be used by Argentina to build, expand or improve seven terminal grain elevators. Argentine officials hope to expand the storage capabilities at six major ports by 382,000 tons a year. A $7.1 million loan from the development bank's ordinary capital will be repaid in 23 semiannual installments at 6½% annual interest, beginning in 1971. A $10.4 million loan from the bank's special fund is to be repaid over 20 years at 3¼% annual interest and a 0.75% service charge. Repayment will begin in mid-1971.

Paraguay will use two Inter-American Bank loans totaling $14.5 million to complete and expand the kilowatt output of a hydroelectric power facility under construction on the Acaray River, some 200 miles east of Asuncion, the capital. A $2 million loan will be repaid over 20 years beginning in mid-1971 at 6½% annual interest. A $12.5 million special-operations loan will be repaid at 3¼% annual interest in 32 semiannual installments beginning in 1971. This loan also carries an annual service charge of 0.75%.

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

Mr. HALPERN. Mr. Chairman, I have in the past expressed my support for H.R. 9547, to amend the Inter-American Development Bank Act and I strongly feel that recent discoveries about international arms sales are not related in the slightest and ought not deter us from enacting this legislation the passage of which I believe to be in the best interests of the United States, as well as that of our Latin American neighbors.

The major purpose of this bill is to expand the ability of the Inter-American Development Bank, through its Fund for Special Operations, to provide low-interest loans to finance economic and social development projects in Latin America. These soft loans are becoming increasingly vital, as the developing nations are burdened with expanding debt and inadequate supplies of foreign exchange reserves. It is precisely by developing their basic economic infrastructures that greater stability and economic productivity will be created in these nations. Surely, no one could possibly quarrel with this goal.

H.R. 9547 authorizes $900 million for the IDB's fund for special operations. This is an increase of $150 million above the current authorization.

I feel there are three primary reasons why the increase should be supported.

First, the soundness of the Bank and its great importance as a multilateral arm of the Alliance for Progress.

Second, the fact that any possible negative impact on the balance of payments is substantially upset by the special letter of credit procedure which has been painstakingly worked out over several years and which provides any dollars used to obtain local currency for Bank projects will remain in the United States until spent here.

Third, this increase changes the proportions of the United States-Latin American contribution from 5 to 1 to 3 to 1. That is, Latin America is increasing its contribution by doubling its share while the United States is increasing its share only by 20 percent. Also, if the proposed increase is not approved, the Bank will be required to enter into an extensive new negotiation with all its member countries—a procedure which may be long drawn and impede the normal development of the Bank's operations.

I have traditionally supported the concept of multilateral lending to the developing countries—believing that this concept is best suited to avoid political pitfalls and generate a surer basis for cooperation.

Taken as a whole, our economic assistance program should be increasingly shifted to multilateral channels. The concrete and impressive results of Inter-American Development Bank's record shows this to be the wisest course.

That the Inter-American Development Bank might be participating in the sale of arms can be effectively refuted. The charter of the Bank defines its purpose as the promotion of development through the financing of various economic and social projects, with payments accompanying progress on the projects. It is inconceivable that the sale of arms could in any way be encompassed by this stated objective.

Furthermore, the multilateral nature of the Inter-American Development Bank effectively guards against the possibility of any such transactions taking place surreptitiously. Each member of the Bank participates in the activities of the organization; each member has a vote on the Bank's various operations. Moreover, information on all of the transactions engaged in by the Bank are published and freely available in its annual report.

There are various programs in progress in Latin America based on the expectations of financing through the Inter-American Development Bank, and we have made commitments to assist in expanding these facilities. The development plans discussed during the recent Washington meeting of the Bank's Board of Governors should receive the full and enthusiastic support of Congress. We could hardly expect the confidence that the Latin American countries place in the United States to remain unshaken if we summarily withdraw our participation, particularly if we do so on the basis of a matter that is essentially of domestic concern.

Mr. Chairman, I strongly feel that it is to the best advantage of the United States to aid in all possible ways the economic progress of the developing nations; we have a particularly strong interest in the advancement of the nations of Latin America. I believe that multilateral organizations such as the Inter-American Development Bank are particularly well suited to this purpose, and that we should continue to support the activities of this organization and to encourage its expansion. I therefore urge the passage of H.R. 9547, with due respect to our distinguished and beloved ranking minority Member, I trust his proposed recommittal motion will not prevail.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, I rise in support of H.R. 9547 which would authorize the United States to participate with the Latin American countries in an increase of funds for the Inter-American Development Bank's Fund for Special Operations.

This authorization represents an increase of 20 percent over present levels on the part of the United States, but it represents an increase of 100 percent over present levels for the Latin American countries.

The increased willingness of the Latin American countries to participate in self-help through the Inter-American Development Bank is the reason for the Bank's success in the past and the reason why we should give it wholehearted support this year.

For many years we had been concerned with the lack of economic progress of our friends and neighbors south of the border. One of the problems was the flight of South American capital which was combined with an apparent unwillingness or inability to promote their own economic development.

Then in 1959, a Republican President proposed, and Congress on a bipartisan basis enacted a measure designed to enlist South Americans in their own economic development. Under the original Inter-American Development Bank legislation, the Latin American contribution was only 1 for each 11 U.S. dollars. Nevertheless, this beginning of self-help was important and the IDB legislation passed this House by a vote of 233 to 87 in the 86th Congress.

The words with which President Eisenhower submitted this legislation to the Congress are significant today. President Eisenhower said:

> The establishment of the Inter-American Development Bank and our participation in it will be a most significant step in the history of our economic relations with our Latin-American neighbors. It will fulfill a long-standing desire on the part of the Latin-American Republics to have an Inter-American institution specifically designed to promote the financing of accelerated economic development in Latin America.

I agreed with President Eisenhower then and I do so today.

In 1965, the Inter-American Development Bank came before the Congress for further authorization. Under this legislation, the Latin American contribution increased from the original 1-to-1-ratio to 1 to 5. The Congress recognized the importance of this increased self-help and on a bipartisan basis, defeated a motion to recommit by a vote of 237 to 142 and subsequently adopted the conference report by a vote of 204 to 127.

The principle of self-help which had begun so modestly in 1959 reached a climax this year in the Presidents' declaration at Punta del Este. The Presidents of the American Nations said:

> Latin America will create a common market.
>
> We will lay the physical foundations for Latin American economic integration through multinational projects.
>
> We will join in efforts to increase substantially Latin American foreign trade earnings.
>
> We will modernize the living conditions of our rural populations raise agricultural productivity in general and increase food production for the benefit of both Latin America and the rest of the world.
>
> We will vigorously promote education for development.
>
> We will harness science and technology for the service of our peoples.
>
> We will expand programs for improving the health of the American peoples.
>
> Latin America will eliminate unnecessary military expenditures.

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

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

Mr. HAYS. Mr. Chairman, I believe I heard the preceding speaker say that all transactions of this Bank were public. I happen to know that some members of the Foreign Affairs Committee went to Latin America last year and questioned a couple loans this Bank had made and asked the General Accounting Office to look into those. The directors of this bank told the General Accounting Office it was none of their business, that they were not showing their books or giving any information about them. How does that coincide with the statement that everything is supposed to be out in the open?

Mr. MOORHEAD. Does the gentleman mean the Export-Import Bank?

Mr. HAYS. No; I am talking about the Inter-American Bank.

Mr. MOORHEAD. The Inter-American Bank and its directors have always been willing to give us everything we have sought.

Mr. HAYS. They would not let the General Accounting Office look at their books. I believe the gentleman from Alabama [Mr. SELDEN] has an amendment to provide for that very thing.

Mr. MOORHEAD. I am going to support the amendment of the gentleman from Alabama [Mr. SELDEN], because I want to be sure there are no institutions with American dollars in them which will not permit us to find out where those dollars are going. I will support that amendment.

Mr. HAYS. I thank the gentleman.

Mr. MOORHEAD. Mr. Chairman, this is the first implementation of the declaration of Punta del Este.

Defeat, or meat-ax amendment or delay of this legislation would stifle the spirit behind that declaration. Defeat, or meat-ax amendment or delay of this legislation would relieve the Latin Americans of their promise of a 100-percent increase in their contribution, and new agreements would have to be negotiated

with all of the Latin American countries. Enactment of this legislation will promote the principle of Latin American self-help, which has changed the ratio of U.S. participation in the Bank from 11 to 1 in 1959, 5 to 1 in 1965, and 3 to 1 in the bill now before us.

I urge you to vote for this program where the principle of self-help not only exists but has dramatically grown. Do not vote to cut this program, which, for the first time, looks at Latin America as a unit and seeks to end economic balkanization by stressing multinational projects.

History has proven that there is no better way to attempt to deal with the problems of a developing region than by creating a regional bank which views the problems of an entire region, and which transcends and survives the political problems of its member nations. The Inter-American Development Bank has been a unifying force in Latin America—in no instance has a country pulled out of the IDB or defaulted on a loan because of a change in government. And the IDB also promotes and encourages American private business investment in Latin America. Recognizing that the key to successful development ultimately rests with the private sector, it helps to provide the roots for successful private capital investment.

Do not vote to cut this program under which, for the first time, some of the developing countries are promising foreign aid to our less-developed neighbors for this is exactly what Argentina, Brazil, Mexico and Venezuela have promised to do through the Inter-American Development Bank.

Finally, do not vote to cut this program which has been so ably managed in such a businesslike manner. What does the minority think of the management of this program? Let me quote from the minority views:

> We have been and continue to be enthusiastic supporters of the Inter-American Development Bank. It is an excellent institution.
>
> * * * * *
>
> We are confident that the Bank, based on its past record, would expertly administer any funds made available.

Mr. Chairman, Mr. David Rockefeller has said:

> Surely, a nation which can afford to spend $20 billion or more in Vietnam, can afford to spend a fraction as much to eliminate the conditions that feed such conflicts.

Mr. Chairman, it would be pennywise and pound foolish to cut this program which has been expertly administered and in which the important principle of self-help is developed and growing.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. BROCK].

Mr. BROCK. Mr. Chairman, a few years ago a very intelligent and dedicated President of this country began a program called the Alliance for Progress. I believe it was one of the finest ideas this Nation has embarked upon since the Marshall plan. It was a plan of self-help, a plan of participation, a plan which was programed to help people help themselves.

But somewhere in the past 5 years this program has gotten off the track. Something has happened.

We talk about the Inter-American Development Bank. We talk about the Export-Import Bank. We talk about the Alliance for Progress and our foreign aid appropriations. With all the effort we have made through the Alliance for Progress, some fairly striking things fail to be achieved.

Almost half the countries in Latin America have a lower per capita income today than they had when we started the Alliance for Progress. What is wrong?

There are more dictators and less democracy in South America than there was when the Alliance for Progress began a program to bring enlightened self-government to the people of South America.

We have this bill before us today. It is a bill to increase our commitment to the Inter-American Development Bank by $50 million a year, to a total commitment of $900 million for the next 3 years.

I believe it is a time when we should question what has happened in our total program to help these people help themselves. Why have we failed to involve private enterprise to the degree we initially insisted it had to be involved if we really were going to raise the productivity of these people?

What is the Social Progress Trust Fund? Where does the money go?

It goes for housing development, for educational and agricultural development.

Where is the complementary money that will make the opportunity available to these people for private enterprise, for capital improvement and development?

It is apparent that this administration has decided that they do not need free enterprise, they do not need to worry about productivity so much as they do about social progress.

We cannot have one without the other. Unless these people raise their income levels they cannot afford the projects.

This bill comes before us asking for $50 million a year increase. Perhaps not by chance, at the same time they want $50 million a year more, to a total $300 million a year, the administration is asking for a tax increase on the American people.

Where is the consistency?

Every time you want to pass a bill on the majority side you invoke this principle of bipartisanship. There is not a Member of the minority who does not want to help the people of South America—but within the capacity of the American people. That capacity is enormous, but it is not unlimited.

I do not propose a reduction in the program at all. All I am saying is that it makes common horsesense that if the President is going to ask for a tax increase, our cuts, or our efforts to economize, ought to be spread all the way across the legislative process.

Mr. GROSS. Mr. Chairman, the gentleman is making a tremendously important speech. I make the point of order that a quorum is not present.

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

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

[Roll No. 185]

Adams	Dole	Hunt
Anderson, Tenn.	Dow	Jones, Mo.
	Esch	Martin
Andrews, Ala.	Farbstein	Morse, Mass.
Blatnik	Fisher	Murphy, Ill.
Broomfield	Fraser	Pool
Brown, Calif.	Gardner	Scheuer
Burke, Fla.	Hansen, Wash.	Sisk
Conyers	Hardy	Taft
Corman	Herlong	Williams, Miss.
Cramer	Holifield	Willis
de la Garza	Holland	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 9547, and finding itself without a quorum, he had directed the roll to be called, when 397 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. At the time of the quorum call, the gentleman from Tennessee [Mr. BROCK] had 1 minute remaining.

The Chair recognizes the gentleman from Tennessee [Mr. BROCK].

Mr. BROCK. Mr. Chairman, prior to the quorum call I was saying that I question seriously how this legislative body can, in one fell swoop, consider a tax increase of major proportions for the American people, and at the same time vote for an increase in the funds for the Inter-American Development Bank, in the amount of $300 million a year. It is inconsistent. It does not make sense.

Mr. Chairman, during the quorum call I obtained a UPI wire report which I would like to read to the Committee for the consideration of the Members during the discussion of this question. The report is as follows:

> Lima, Peru's Christian Democrat Party today called for immediate confiscation of the U.S.-owned International Petroleum Company's (IPC) La Brea and Parinas installations in the interior. Party President Alfredo Garcia Llosa also called for expropriation of IPC's Talara refinery at a mass rally of supporters in San Martin Square.
>
> Although Congress passed legislation 10 days ago ostensibly authorizing seizure of the IPC holdings it actually only authorized President Fernando Belaunde Terry to "solve" the problem, Garcia charged.
>
> He said Peru would not have to pay "a single cent" of compensation to the company for its holdings, estimated at more than $175 million, because of alleged tax debts owed the government by the company, a subsidiary of Esso Standard Oil of New Jersey.

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

Mr. DEL CLAWSON. Mr. Chairman, I yield 5 additional minutes to the gentleman from Tennessee [Mr. BROCK].

Mr. BROCK. Now, gentlemen, if we are going to pass a social progress bill to the extent of $300 million a year, financed by the American taxpayers, I think we have a right to expect this administration to protect American investments abroad, not just for the sake of American investors, but because these people in South

America have no opportunity whatsoever to develop their standard of living, to increase their prosperity and income except through the use of the free enterprise system.

This, to me, is the basic issue pending before us today.

How can you in good conscience support a bill increasing the commitment by $50 million a year while considering an increase in the rate of tax upon the American people?

Mr. Chairman, there has to come a time when we ascertain a certain amount of priorities in this country. What is your sense of priorities?

Yesterday we heard for the period of 2 hours about how this Congress had done such a magnificent job of cutting the public works bill by $300 million. It did not take very much reading to look at the front page of the report and see that even after a cut of $300 million, we were still spending $300 million more than we spent the prior year. What kind of sense of balance is there in that approach? If you want bipartisan support of this bill, bipartisan support for a tax increase, you cannot have it under these conditions. You cannot do this to the American taxpayers.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BROCK. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I get the impression that the gentleman from Tennessee is not satisfied with the self-help programs that have been undertaken by our neighbors to the south.

What is the situation with reference to the burden which they have placed upon themselves insofar as taxes are concerned? Do those burdens compare favorably or unfavorably insofar as the American taxpayers are concerned?

Mr. BROCK. They are considerably lower.

Mr. BROWN of Michigan. Mr. Chairman, if the gentleman will yield further, is the gentleman from Tennessee saying that we are asking the American taxpayers to assume a greater rate of tax burden, while the tax burden placed upon the recipients of this program is less; is that correct?

Mr. BROCK. That is exactly correct.

It seems to me that the self-help program, at least insofar as Peru is concerned, if I read the wire correctly, is to help themselves to American businesses, at the expense of the American taxpayers, and without paying for it.

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

Mr. BROCK. I yield to the gentleman from Virginia.

Mr. SCOTT. Mr. Chairman, in response to a recent questionnaire in my district, 93 percent of the people said they wanted Government expenditures cut, 88 percent of this 93 percent said that they wanted cuts in foreign aid.

I would like to ask the gentleman from Tennessee the question, if he thinks those statistics might be applicable in his own district?

Mr. BROCK. I would think the answer is that they would be applicable to any district in the United States. That is the reason for the amendment I intend to offer, which is a reduction of $50 million a year in the proposed legislation. It does not go far enough in my opinion, but I believe it is about the best we are going to get. It does not represent a cut below existing levels. It just represents the maintenance of the current amount we are putting in at the present time.

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

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

Mr. GROSS. Not much has been said here today about the terms on which the $900,000,000 would be turned loose in Latin America, Mr. Chairman, and I would like to ask the gentleman to very briefly go into the conditions surrounding the so-called loans, the length of them, and the interest rate if there is interest to be paid. I believe we can all agree that the loans will probably never be paid if they are 40-year loans, but will the gentleman discuss this briefly?

Mr. BROCK. Mr. Chairman, I would explain to the gentleman that in effect the money is loaned by the United States to the Bank, and the Bank in turn makes the soft loans, long-term loans, and loans at low interest rates for "social progress" projects—and I put that in quotations—in these countries.

The term of "loan," insofar as this country is concerned, is a euphemism. Certainly we have no prospect of getting this money back. The repayments are made to the Bank.

Mr. GROSS. I would ask the gentleman what the interest rates are. Are they 2.5 percent, or 2 percent?

Mr. BROCK. I cannot give the gentleman a complete answer on that question because the interest rates vary according to the type of loan.

Mr. GROSS. The interest rate does not exceed 2.5 percent, does it?

Mr. BROCK. No. It is considerably less than the going rate of interest in this country.

Mr. GROSS. Mr. Chairman, I would ask the gentleman what a citizen of this country pays for money to build a home?

Mr. BROCK. I believe the answer to that is a minimum of 6.5 percent, and sometimes 7.5 percent. The interest rate is three or four times as much as that offered through the Inter-American Development Bank.

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

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, after listening to the gentleman from Tennessee, and his dialog with the other colleague, a few minutes ago, I am wondering how we can expect any kind of respect and confidence from people we reveal such contempt for.

If ever this Congress during this session has an important and vital bill before us, this H.R. 9547 is it. It seems incredible that after our negligence in Latin America—particularly in the period between 1952 and 1960, during which period we gladly gave more aid to Yugoslavia than all Latin America put together—we should continue to hear the advice of such uninformed and inaccurate statements as those just uttered by the gentleman from Tennessee.

However, I am confident the majority of this House, as well as our citizens will appreciate the value of this legislation.

Just yesterday, in the New York Times, a distinguished authority wrote:

> LASO (Latin American Solidarity Organization, a Communist activity) and the worldwide Tricontinental organization are not an immediate threat anywhere, but they have to be taken seriously. They represent something relatively new in what is the most revolutionary age in history. The blunderbuss policy called "anticommunism," aimed vaguely in the direction of Moscow and Peking is no answer. Something much more sophisticated and complex—and much more positive—is needed in Latin America, the best answer would lie in making a success of the Alliance for Progress.
>
> Latin America is rapidly approaching a Malthusian crisis.
>
> The failure of the agricultural sector will spell failure for the general economic development of Latin America. The Alliance for Progress could become an Alliance for Stagnation.

These grave observations were made in a recent report by our distinguished colleague, the gentleman from Wisconsin, HENRY S. REUSS, on the basis of a study trip to investigate Latin American agriculture.

Meeting last April at Punta del Este, and recognizing the vital importance of agriculture to overall economic development, the Presidents of America outlined steps to be undertaken to modernize rural life and increase agricultural productivity, principally in the area of food production.

We now have before us H.R. 9547 to authorize U.S. contribution of $900 million to the Inter-American Development Bank's Fund for Special Operations for a 3-year period. In view of the strong emphasis placed on agriculture at the meeting of the Presidents, it is of basic importance in considering this legislation to look carefully at the Bank's record in the field of agriculture and to ask how this additional U.S. contribution to the FSO fits in with the Presidents' overall plan and how it will aid the peoples of Latin America to achieve those objectives which we all support.

Let me first sketch out briefly the current situation in Latin American agriculture, drawing from the Reuss report I mentioned before and from a recent report written under the auspices of the Bank.

The agricultural sector is the largest employer in Latin America and is the largest single contributor to national income in most of the countries of the region;

In recent years, agricultural production has been falling short of, or has at best kept pace with, population growth;

What growth that has occurred in agriculture in Latin America has resulted largely from expanded acreage under production; but the time is rapidly approaching that increases in agricultural output will have to depend on higher yields, on greater productivity;

Increases in agricultural productivity of the magnitude needed to put agriculture on the growth path will require a sharply increased level of annual invest-

ment over the next decade on the order of $1.5 billion, or roughly double the current level. Of this figure, about $500 million will be needed from external sources.

Since it made its first loan in 1961, the IDB has contributed a large and growing proportion of total external investment in Latin American agriculture, and it has established itself as the external agency which has devoted the greatest proportion of its resources to agricultural projects—some 22½ percent of total IDB loans have gone to agriculture. The Bank has contributed more than half of the external financing for Latin American agriculture provided by the major international and U.S. lending agencies.

This impressive record reflects only loans directly to agriculture—those for agricultural credit, irrigation, dams, colonization and improved land use, fertilizers, et cetera. If we look at loans directed toward the rural sector—and we are concerned, of course, with improvement of the entire rural setting as well as food production—we see that the Bank has allocated about 40 percent of its total loans, or nearly $750 million, to rural development.

But as the two recent reports show, what is being done now in agriculture will not be enough in the near future. It is clear that the effort must be stepped up. It is also clear to me that the Inter-American Development Bank is an appropriate vehicle for this effort and that the Bank recognizes well the responsibility it bears. The report of the executive directors of the Bank notes some of the problems faced in trying to expand investment in agriculture, primarily a scarcity of projects suitable for financing and the inadequacy of overall agricultural planning. That report also notes the progress which has been made in overcoming these problems and states that the Bank will be able to increase the magnitude of its resources devoted to agriculture.

A great deal of attention has recently been placed on the Bank's role in the integration movement. But the Bank's members are convinced, as I am, that the Bank's efforts in the field of integration should not be to the neglect of agriculture, which is undoubtedly of the highest immediate priority.

The U.S. contribution to the Bank which the Congress is now considering would enable the Bank to continue and expand its role in this vital field, as well as to undertake its new responsibilities in integration.

I believe that in the light of past trends and future prospects for agriculture, the United States cannot afford to miss this opportunity to channel an expanded level of resources to Latin American agricultural development through the Bank. A breakdown of the agriculture sector would mean a breakdown of the economic development process in Latin America and would promptly negate any efforts we might make in the area of economic integration. H.R. 9547 is a bill of vital importance to the United States and the entire hemisphere, and deserves the full support of the Congress.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. HANNA].

Mr. HANNA. Mr. Chairman, in answer to the question asked by the gentleman from Iowa [Mr. GROSS], I believe if the Members will read the report on the funds for special operations they will find that the rate of interest charged during 1966 on loans extended under the special operation funds range from 2.25 percent to 4 percent per annum according to the nature of the project. In addition, there was a service charge of three-quarters of a percent to 1 percent. Most of the loans were extended over a period of anywhere from 13 to 30 years.

Mr. Chairman, I believe in listening to the comments of the gentleman from Tennessee that we can see that he is expressing a common feeling throughout our land that we are living in a time and in a world that is not very comfortable. We are not happy with what we see at home. We are not satisfied with what is occurring abroad, but unfortunately we are in somewhat of the position of a man rowing upstream in a leaky rowboat. He cannot stop rowing, or the current takes over. That is our position at home, we may be protesting on our end of it, and we may not be satisfied with the progress we are making, but we cannot stop rowing, and if the boat is leaking then we have to bail a lot, or the boat will fill. And that is what is happening abroad. We have to do both of these things, or we are not going to succeed.

Let me tell the Members what I believe history indicates, and that is that society, any place and any time, either solves the problems that surround it or it goes out of existence. We are talking about turning ourselves to the tasks and the problems that exist. We may not be able to see the solutions ahead. But can you lay your labors down? I do not believe you can. I do not believe you can in your international approach, nor can you with the problems at home, and as unhappy as you might be with the state of society and with the world, the world will not become the lovely place you would like to see.

Now, in most of the recent years I believe it is important that we have found the emergence in Latin America of what the gentleman from Pennsylvania was pointing out, the emergence of forces and expressions of thoughts to give us the same kind of ground swell approach for regionalism that we saw in Europe when it began to create the Common Market which has been so important to the free world.

Regionalism in Latin America is just taking off. We should encourage its flight.

If any of you gentlemen do not see any difference or any progress or any advances between the Punta del Este of 1961 and 1967, then you cannot read history at all. There is an entirely different approach. Surely, we have not made all the great significant progress and surely there has been some slippage because the population increases over the years have outstripped the GNP.

But there is a new ball game in this hemisphere and I think this bill will help us to play on the right team and play the right part. I hope we all vote for it.

Mr. DEL CLAWSON. Mr. Chairman, I yield to the gentleman from Alabama [Mr. BUCHANAN] such time as he may consume.

Mr. BUCHANAN. Mr. Chairman, I have been sitting here reflecting on the remarks of the distinguished gentleman from California, concerning rowing upstream in a leaky rowboat. I want to thank the gentleman for the best description of the Johnson administration that I have ever heard.

Mr. DEL CLAWSON. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, I wish the figures did show what the gentleman from California said in his rhetoric, that there was this progress—that is the issue. It is about time we started dealing with facts and figures instead of rhetoric.

I am afraid it is not such a new ball game as we might like. It is the old never-ending one.

Mr. Chairman, I rise to support what I anticipate will be a motion to recommit this bill back to the committee so that it can be coordinated with the studies into the Export-Import Bank, which as we know this committee has been doing such good work developing. The two leading institutions are interrelated.

I am also hopeful that more coordinating will be done in this committee with the International Development Association—IDA—which also bears on the same subject. As I said in my remarks on the rule, if there can be some coordination with the work that other committees are doing in areas that touch directly on the same subject this will be helpful.

As I pointed out, here the conferees of my Committee on Ways and Means are meeting right now off the floor of the House, and that is where I have to go as soon as I make my remarks here, on the interest equalization tax which this House passed early this year, which is restricting private investment abroad. At the same time, as I said, in opposing that measure, we talk about increasing Government capital spending abroad.

Now either we have a balance of international payment problem or we do not—and believe me—we have. This is not a matter of fiction, as I said during my remarks when the rule was being considered.

Take a look at the economic indicators for July 1967, on page 25, and to get the full impact of it—you have to look at the table.

The administration about 3 years ago wanted us to measure balance of payments on an official reserve transaction basis as opposed to the liquidity basis. After considerable discussion, we agreed that there was merit in measuring it in this way, but that we ought to preserve both ways.

The first year we did that, of course, the administration was very happy.

In 1964, the liquidity basis showed minus $2.8 billion.

The official reserve transaction basis showed a minus $1.5 billion.

In 1965, it was not so good—it was

about the same—$1.3 billion in both instances.

In 1966, we heard a little boasting by the administration because although the liquidity basis was minus $1.3 billion, the official reserve transaction basis showed a plus $225 million.

I do not know how many times I took the floor in the Joint Economic Committee to warn that this was a dangerous boast. This kind of misinterpretation was one reason some had argued against the use of the official reserve transaction basis.

You have not heard a word from the administration this year about the deficit in the international balance of payments on either of the bases. The first quarter shows a minus $2.1 billion on the liquidity basis. But look at the first quarter on the official reserve transaction basis and hold your hats: minus $7.288 billion. And this administration comes in here, presents this bill to increase capital investment abroad to the Banking and Currency Committee, and the Banking and Currency Committee presents this to the House of Representatives without any mention of this serious situation in our balance of international payments.

In the same way yesterday we ignored our internal fiscal problems. Although it was pointed out by your own chairman of the Committee on Ways and Means that the deficit for fiscal year 1968 is going to be $30 billion the way we are going, we went along and voted for a public works bill which exceeded the figures for fiscal year 1967. I did not. I would have liked to do so. I want the day to come when I can have the pleasure that some of my colleagues are enjoying of being for some things instead of having to stand up to take the burden of trying to point to the need of some fiscal sense, and so try to keep our expenditures down. The public works bill was greater, not less, than last year.

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

Mr. DEL CLAWSON. Mr. Chairman, I yield 2 additional minutes to the gentleman from Missouri.

The CHAIRMAN. The gentleman from Missouri is recognized for 2 additional minutes.

Mr. CURTIS. I am sorry the gentleman cannot yield me 5 minutes. I understand there is a reason, for some cause I do not understand, that there is an agreement to try to shut off debate. Members of the Banking and Currency Committee have agreed to take only 5 or 10 minutes. If the House of Representatives has reached the point where there is not even going to be study and deliberation here on the floor of the House, where in the name of heaven in our society is deliberation and debate going to come? The Banking and Currency Committee is not going to go into these matters in depth or attempt to coordinate them. Where will this procedure lead to? Those who are talking—and I have listened to the oratory until I am sick of it—about the riots, to them let me say that when the forums set up to establish and promote justice are clogged, where else do people go?

Gentlemen, we had better unclog this forum, this great Congress, so these issues can be debated and so that the committees that have the responsibility can study them and so that those of us who are on other committees with the responsibility to study matters that bear on the same issue will have an opportunity to present what we think is wisdom and fact and argument.

Mr. Chairman, I cannot do justice to this in 2 minutes. I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back one-half a minute.

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. BINGHAM].

Mr. BINGHAM. Mr. Chairman, I rise in strong and enthusiastic support of H.R. 9547.

The Inter-American Development Bank is perhaps the most important institution engaged in the vital task of carrying on the Alliance for Progress, and we must give it our full support.

These are days when our thoughts are increasingly concentrated on desperate problems here at home and on the conflict in Vietnam. Yet, as a mature and powerful nation, we cannot afford to neglect other responsibilities.

It is perhaps not overstating to say that we are in the midst of a period of agonies. Yet the fact remains, and we must remember it, that ours is the strongest and richest country in the world by far, that our gross national product is equal to that of all the rest of the world. It is eight times the total GNP of the Latin American countries. The stability of the whole world is threatened by the widening gap between the rich and poor nations. It would be shortsighted and foolish for us to fail to carry our full share of the task of trying to close that gap, particularly here on the Americas.

Some of what we do in foreign assistance we have to do on a bilateral basis. I am not one of those who believe that all our foreign aid should be carried out on a multilateral basis, but I have found from my own experience in the point 4 program and at the U.N. that, to the extent multilateral institutions can carry the load, they are far preferable as a mechanism.

The Inter-American Development Bank is such a multilateral institution. In its programs we are in a true sense partners with our Latin American neighbors. It is essential that we continue our part in building this partnership and that we not appear to our partners to be losing interest in their problems.

As you know, the Inter-American Development Bank's membership is composed of the United States and 19 other members of the Organization of American States. Since its establishment in 1959, the Inter-American Development Bank has grown into a most useful and effective instrument for Latin American nations to work together among themselves on economic problems.

Moreover, the Inter-American Development Bank is providing the high capacity of the United States and the Latin American countries, in spite of differences in size and wealth, to work together constructively and effectively. The United States by no means always carries the day in Inter-American Development Bank councils; but the U.S. voice is appropriately heard and respected. It is within this spirit of a working partnership that the Latin American members agreed at the annual meeting of the Inter-Development Bank to make a larger proportionate increase in their contributions to the Fund for Special Operations than the United States. Previously, the United States contributed $5 to every $1 contributed by the Latin Americans. Under the current agreement, the United States will contribute only $3 to every $1 equivalent contributed by the Latin nations.

The Inter-American Development Bank has gone outside of Latin America in its multilateral approach. It has encouraged Canada and European countries to play more of a role in lending money for Latin American development.

In 1966 the Inter-American Development Bank borrowed or arranged to borrow $53,433,798 from European and other nonmember countries and agreed to administer another $27,359,099 in trust funds for nonmember countries. The Bank is continuing its efforts to get more support for Latin American development from Europe and elsewhere. It is seeking, for instance, greater access to European capital markets—above and beyond the more than $100 million it has already borrowed there—parallel financial operations by European countries in selected development projects, and the establishment of a European investment fund for Latin America to be administered by the Bank.

In all, the Inter-American Development Bank's multilateral work has increased for more and more countries their interest in, and stake in, Latin America. And as a result, now, more than ever before, Latin American economic development has become a joint undertaking of countries in and out of this hemisphere.

The second point I would like to stress today is the Inter-American Development Bank's progress since its establishment in 1959. The Inter-American Development Bank has the impressive record since then of committing almost $2 billion in economic development loans to Latin America. This high level of lending activities has contributed in no small part to the achievement of the Alliance for Progress' goal of a 2½-percent per capita annual growth rate in almost every year since the Inter-American Development Bank began operating.

In its projects, the Bank's emphasis is on self-help and on self-sustaining economic growth.

Let me give you an example: A housing development that has been built not far from Honduras' capital, Tegucigalpa, and has been named after President Kennedy.

Honduras is a small, poor country, and it has very little decent housing. Yet, in a period of some 3 years after the Inter-American Development Bank made a loan to the Honduras Housing Institute, some 752 housing units were built in what is known as "Unidad Vecinal Presidente Kennedy." The people of Hon-

duras are proud of that project. I am told as you travel southeast from Tegucigalpa you can see a large billboard at the road's edge explaining that the project was built with the help of the Inter-American Development Bank and the Honduras Housing Institute.

Typical of the approach taken in projects sponsored by the Inter-American Development Bank around Latin America is the "self-help" that went into the building of this housing project. For instance, in the first stage of the project's development, some 401 units were built directly by future owners who worked either individually on their own units, or in groups on specialized jobs, under a well-planned and controlled system developed by the Honduras Housing Institute with the help of the Inter-American Development Bank.

The Kennedy Colony, as it is frequently referred to, will eventually provide some 4,000 homes, and parks and community facilities as well.

The Inter-American Development Bank is a well-run institution. Its president, Felipe Herera, has done a splendid job. The United States has been ably represented in the Bank's governing councils. The Secretary of the Treasury, Mr. Henry Fowler, who commands the admiration and the respect of, I believe, all the members of the Committee on Banking and Currency, made an excellent presentation on behalf of this legislation. He stressed how much damage would be done, not only to the cause of economic progress in Latin America, but to our relationships with our Latin American neighbors if the United States were to fail to carry its share of what the Bank's board of governors agreed upon as the steps necessary for the Bank fully to do its job in the immediate future.

Some of the comments made today suggest that support of the Inter-American Development Bank is a luxury for the United States, a luxury which can and should be deferred during this period of stress and strain. But it is not a luxury, it is a necessity. It is a necessary and prudent investment in the future strength and stability of Latin America. What we cannot afford is more Cubas, and we do not want more crises such as the Dominican Republic which cost the United States hundreds of millions of dollars.

We need a vigorous and effective Inter-American Development Bank and we must do our share to keep it vigorous and effective.

In the minority views, some of my colleagues on the Banking and Currency Committee take due note of the fact that under this bill the contribution of our neighbors in Latin America to the Inter-American Development Bank Fund for Special Operations will rise to one-third of the U.S. contribution but they complain that that is not enough. To that I would point out not only that the trend is in the right direction, but that the United States gross national product is almost eight times that of Latin America as a whole. Compared to that ratio, the ratio of 3 to 1 is more than respectable.

I hope this House will pass this bill overwhelmingly and without weakening amendments.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. REES].

Mr. REES. Mr. Chairman, I am in support of the Bank, and I am strongly opposed to any amendments to the bill.

I am an exporter by profession and have been dealing exclusively with Latin America since 1949. Let me say, as one interested in progress in Latin America, I consider this Bank perhaps the most important factor in the development of Latin America. I consider this bill to be one of the most important bills we are going to be looking at in the next 2 or 3 years affecting Latin America, our neighbors to the south.

This is a bank. This is not a giveaway program. If we want to know what kind of loans are made, we can look at them right here in the annual report of the Inter-American Development Bank.

We have been talking about the Social Progress Trust Fund. This is a soft window bank. There is a subsidy in terms of low interest rates and payback of soft currencies. The loans from this source deal with the expansion of a water system, they are dealing with construction of 1,800 low-cost homes in Chile, they are dealing with a sewerage system, they are dealing with basic economies of these governments, they are dealing with health, they are dealing with basic survival of the poor people of this continent. That is what the Social Progress Trust Fund does.

There is now being developed the Latin American Foreign Trade Association. This is a project I consider to be "a must" for coordination of basic economic development in the Latin American countries. This total of $150 million we are discussing is the guts of this economic integration, because this will be the beginning of the economic integration which we must have in Latin America. We must start development of roads between countries. We must start development of a telephone system between countries.

We must start development of power grids between various countries. None of these are adequate today. Latin America is fragmented. It is composed of nationalistic countries, each with its own little problems. They must expand their basic communication if they are ever to achieve economic integration.

The Latin American Foreign Trade Association is vital to the growth of this continent. Just remember that by 1970 there are going to be 700 million people in Latin America. Latin America has the heaviest birth rate in the world today. There will be 700 million people—the population of Red China. We have got to do something and help these people develop to their fullest.

We are spending $20 million a year fighting a war in Vietnam. We are spending $70 billion in terms of defense budget, and who knows how much we might spend if a country in our own hemisphere is wracked by insurrection, and that insurrection will not be 20,000 miles away in Vietnam, but it will be right here in our own corner.

I ask for an aye vote.

Mr. DEL CLAWSON. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, I speak as one who hopefully supported the Alliance for Progress in the past. However, I must say a previous speaker said we must all agree that the Alliance for Progress and the bill before us today represent a step of great imagination. I submit that in light of the facts, it probably is more imagination than reality. I invite the attention of the Members to the report of the committee on page 5, referring to the "nature of future activities" and the "development of agriculture." Let us look back and peel away the sugar coating and find out what we really have in this program since its inception.

Incidentally, the purpose of this was to invest, as I pointed out, in the development of agriculture.

In 1965 the index of farm output per capita in Latin America was 102 and was the same as it was in 1961.

This was to accelerate the process of national industrialization, yet the average annual increase in output of manufacturing from 1955 until 1960 was 6.6 percent, and from 1961, after this program went into effect, it slid down to 4.4 percent, which is the rate from 1961 to 1966.

Going on, this program was aimed at a higher proportion of the national product going into investment in Latin America. What has happened? Investment as a percentage of gross national product in the Latin American countries has remained relatively constant since 1958, at a level below that of the period 1951 to 1957. In 1961 it was 17.4 percent of the gross national product, and it slipped by 1965 to 17.3 percent.

The facts just do not bear out all of the glowing harvest it is suggested we can anticipate. I say this rather sorrowfully. And this will never come about so long as there is the inflationary situation of which we are all aware existing in Latin America.

Inflation during the past 5 years was especially severe in a dozen countries.

There were average annual increases as follows:

In Brazil the inflation was up 214.4 percent.

In Chile it was 55.7 percent.

In Uruguay it was 49.9 percent.

In Argentina it was 46 percent.

In Colombia it was 19.5 percent.

In Peru it was 11.8 percent.

No one is more sympathetic as to the need for assisting our neighbors in Latin America, than am I, but obviously there is something wrong with the program, and we had better look for a new approach. Otherwise, we are likely to see American tax dollars go down the drain without producing the intended results.

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

Mr. CONTE. Mr. Chairman, we have before us today a bill that will increase the U.S. contribution by $900 million for the next 3 years to the fund for special operations of the Inter-American Development Bank. The Banking and Currency Committee has reported favorably on

this legislation, and has recommended passage of the bill without amendments. I think this recommendation was made with good reason, and I heartily endorse their decision.

The Inter-American Development Bank is, along with the Alliance for Progress, a vital part of our program to provide needed economic assistance to the neighboring Latin American countries. Of all the other peoples of the world, those of Latin America, those of our own hemisphere, are the first that should receive our help and assistance.

The Bank, by virtue of its structure, stresses and, fact, requires self-help efforts on the part of Latin American countries. The funds supplied to the Bank come not only from the United States, but also from the Latin American countries themselves. As we increase our contributions, so do the other nations involved. In fact, the Latin American countries have doubled their quotas, narrowing the ratio of funds contributed by us as compared with funds contributed by them since 1961 from 5:1 to 3:1.

This "Bank of the Alliance," as the Inter-American Development Bank is often called, has become increasingly important to the planning and financing of economic and social development in Latin America. The Bank loans money for many health, educational, and agricultural projects, all vitally important to Latin America's development.

These efforts, along with others, have begun to show signs of improving the complex and difficult situation that exists in Latin America. But they must be accelerated, which necessarily involves increased financing, if a successful conclusion of the program is ever to be achieved.

The rate of enrollment in the schools of Latin America is increasing, but it barely stays ahead of the school-age population growth. Food production has increased 4.5 percent since 1961, but again the population growth is increasing too quickly for this increase to be very significant. It is obvious that Latin America is growing economically, but this growth must be increased or our previous efforts will have been in vain.

In today's shrinking world, it has become apparent that the answer to many of Latin America's problems lies in cooperation among themselves. Recognition of this vital concept was the basis for the historic Punta del Este Summit Conference earlier this year.

This potential economic "revolution" has started the Latin American countries on the path toward cooperation and interrelationship. No longer are the Presidents of these countries thinking only of their own countries, and consequently not only wasting duplicated efforts, but also hampering the efforts of other countries. Now, the Presidents are beginning to think in terms of Latin America as a unit.

They are talking about developing the River Plate into a productive international transportation and industrial system, of conquering the Amazon and mastering the Andes—of binding the continent together. These were the topics of conversation at the Punta del Este meeting. These were the hopes as each President, including our own, promised to do everything possible to increase contributions to the Inter-American Development Bank.

We cannot allow their ideas to turn out to be just talk; we have to effectuate the plans of the Punta del Este.

An important question that always arises when we consider economic assistance is what will be its effect on U.S. balance of payments. The Secretary of the Treasury has submitted information to the Banking and Currency Committee which indicates that the overall effect of the Bank's operations has had a positive impact on the U.S. balances because of initial dollar contributions to the Bank's capital by Latin American members and bond issues made abroad. By use of a special letter-of-credit technique, 90 percent of the dollars made available by the United States has stayed in this country. It seems, therefore, that the balance-of-payments question is not a legitimate objection to our contributions to the Bank.

The Inter-American Development Bank is helping; is working; and is highly significant. Projects to alleviate such basic obstacles to economic growth as the lack of transportation and communications developments have been one of the main recipients of the Bank's loans. These have helped increase trade between Latin American countries from 8 percent of the total volume of trade in 1961 to 14 percent in 1965.

In reality, we cannot afford to withhold our assistance here. We, as a country, in fact, benefit ourselves from helping Latin American countries. With increasing economic stability comes increasing government stability. We have seen nine peaceful elections in Latin America last year. By supporting this bill we prevent the fire instead of being forced to put it out once it has started.

Mr. Chairman, this Bank needs our support and it needs it now. The future possibility of a Latin American world market may very well hang in the balance. Our funds and efforts previously expended will have been wasted if the necessary steps are not taken on our part to assist the completion of the momentous task which has been undertaken in Latin America.

For the sake of our neighboring countries, as well as our own, we must support the bill pending before us, and thereby help Latin America to help herself.

Mr. DEL CLAWSON. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. BROWN].

Mr. BROWN of Michigan. Mr. Chairman, I believe the gentleman from Missouri [Mr. CURTIS] made some very salient points in his short remarks.

In the committee report and minority views we have touched upon the serious balance-of-payments problem. I hope every Member will read those and be familiar with them. Certainly this is one of the most serious areas of concern of the House in connection with this legislation.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. ANNUNZIO].

Mr. ANNUNZIO. Mr. Chairman, I rise in support of this legislation. Clearly the Inter-American Development Bank has become one of the keystones of the Alliance for Progress under the able leadership of Felipe Herrera, the Bank's President. It is perhaps pertinent to recall that prior to the establishment of the Bank and the inauguration of the Alliance for Progress, Latin America was a seething caldron of discontent. In 1958, a Vice President of the United States on a "good-will tour of South America" was mobbed and attacked. In 1959, Fidel Castro took over Cuba and established the first Communist state in the hemisphere.

However, today the Ailliance for Progress is 6 years old and we know that there is a clear record of progress following its establishment. Seven of the countries of the Alliance have grown since 1961 at a rate which meets or exceeds the annual minimum of 2.5 percent established as the Alliance target. In 1965, virtually every country under the Alliance increased its per capita gross national product. Export earnings for the region have increased by more than 25 percent and in nine countries, have increased by at least 45 percent. Nine countries have established more equitable and modern tax systems and yearly tax collections for the region have risen by $2 billion. Sixteen countries have land reform legislation and, since the Alliance, nine million more children are in schools. Seven hundred thousand agricultural loans have been made, benefiting 3½ million people. Fifteen thousand miles of roads have been built; 28,000 classrooms have been built; and 160,000 teachers have been trained or provided additional training. These are not merely statistics, these are the steppingstones of social progress—these are the foundations of democracy. With social justice and with democracy have come increased stability. This is what the Alliance for Progress means to me. This is why I vigorously support the bill before the House.

I only hope that we can apply the lesson of the Alliance to some of our own problems. Riots do not just occur, discontent is not created out of whole cloth. Where social justice and opportunity are denied, chaos inevitably follows. It is in such sewers of discontent that the disease of social disorder is bred.

In supporting the Inter-American Development Bank legislation, we are keeping faith with our Latin American neighbors. I hope that in the days to come we will demonstrate equally our ability to keep faith with all the people of the United States.

Mr. HANNA. Mr. Chairman, in the preface to his play, "Major Barbara," George Bernard Shaw, in a moment of sincere reflection, commented that:

> The greatest of evils and the worst of crimes is poverty.

Unfortunately, poverty is an evil very much a part of the 20th century. In the most industrially advanced, as well as the least developed nation the crime of poverty is evident.

The advanced nations, however, only require the will and resolve to overcome the limited pockets of poverty still existing within their boundaries. Poverty in the industrially rich and wealthy states

of the world touches only a relatively small proportion of the population, and in most cases these nations possess the resources, talent, technical expertise, and wealth to eventually solve the problem without assistance from other countries.

Most of the present states in today's world, however, are not in the position to deal with the serious causes of poverty as are the few relatively rich nations. Tragically, the majority of the world's peoples must face daily the continuing treadmill of unemployment, inadequate housing, poor health, deficient diets, and little hope.

The disillusioning fact that most of the world ekes out a desperate existence requires, for obvious reasons, both moral and selfish, that the rich participate and assist in programs which will raise the ability of the less developed world to more successfully cope with their intense internal problems.

A wide range of programs of assistance are now available to the less developed world. Depending on the nature of the assistance program the success of these endeavors is varied. However, one type of assistance has met with marked success. This assistance has taken the form of regional self-help, probably the most effective and satisfying vehicle for improvement.

The most successful of these self-help vehicles have been the regional development banks. There are presently three: The Inter-American, the African, and the Asian. The United States participates in all three. Our participation, on an equal basis, with the countries of the respective regions has proven beneficial in two respects.

First, development projects are financed by the people who have a real stake in the future of the area. The psychological impact on the less developed participants has been encouragingly positive. Where development bank money has been invested, self-pride, local involvement and progress have been characteristically the rule.

Second, the United States has not nor is expected to finance every aspect of every detail of every program. Such expectation runs counter to the purpose of the banks. However, because we do participate, sometimes with equal shares, other times with smaller shares, our interests are appreciated rather than resented. We encourage self-help by participating in the regional banks rather than inhibit it. We do not dominate, but we do assist in the future of the region's progress, a role much more admired than a dispenser of charity whose motivations are always suspect.

Today, Mr. Chairman, the Congress is being asked to demonstrate its support and faith in one of these regional banks. Perhaps, because of the history of our involvement in the region, the Inter-American Development Bank has special significance. As partners in an alliance for progress within the Western Hemisphere, the IDB has proven the most useful tool in promoting development, and its past success is a prelude to its future potential.

Through the Bank's Fund for Special Operations, capital projects such as roads, dams, housing, bridges, communications networks, and powerplants have become realities. For the first time, there is hope that through regional self-help, adequate investment will be made providing the prescription that will eventually break the cycle of debilitating poverty.

I recently visited two countries which have benefited immeasurably from FSO loans in the field of adequate housing development, one of the Bank's many priority programs. In Argentina, the city of Buenos Aires is presently carrygram costing $700 million. The program ing out a 12-year urban renewal prowill transform a large area of the city into a modern urban center and construct a new development to house persons displaced from slum areas. The Bank is contributing to the first stage of the program with two loans totaling $19.2 million. This will enable the Commission Municipal de la Vivieneda to finance the construction of 3,000 housing units.

In 1962, the Bank extended a $30-million loan from its Social Progress Trust Fund to help finance the construction of 15,300 new housing units for low-income families throughout Argentina.

Brazil presently has a housing deficit of approximately 7 million units and is adding to the deficit at a rate of about 400,000 a year. To reverse this trend, the Brazilian Government adopted a new housing plan in 1964 designed to mobilize local and regional financial resources for housing construction. The Banco Nacional de Habitacao, established in 1964 to serve as a clearing house for the execution of the plan, has received a $20 million loan from IDB which will finance 50 percent of the cost of an urban development program to build 78,700 homes and their respective community services in various Brazilian cities. The Brazilian Bank will finance the other 50 percent.

Mr. Chairman, the Inter-American Development Bank and its Fund for Special Operations, or soft-loan window, play a central role in regional progress. The Bank has been one of the most important institutions in the Alliance for Progress, and the increased participation by all its participants promises on even more meaningful role in the immediate future.

The bill before us, H.R. 9547, will authorize the Secretary of the Treasury to vote in favor of the resolution now before the Governors of the Inter-American Development Bank providing for an increase of $1.2 billion in the resources of the Fund for Special Operations. The bill also authorizes the payment into the Bank of a U.S. contribution of $900 million; $300 million for fiscal year 1968, 1969, and 1970. This figure represents an increase of $50 million beyond our present commitments to the IDB's resources. The payments would be in the form of a letter of credit with our budgetary expenditures closely coinciding with the actual use of funds in loan disbursements out of FSO.

It should be noted that the resolution of the Governors also calls for contributions amounting to 100-percent increase on the part of the Latin American members of the bank over a similar 3-year time period. In terms of the U.S. commitment at the end of this period the ratio to the Latin American commitment will have been substantially reduced. Originally, the ratio was $11 United States to $1 Latin. The result of the new negotiation will reduce the ratio in the FSO operation to $3 to $1. This represents a very significant increase on the part of the 19 Republics.

The new money will permit the Bank to expand its lending activities in the extremely vital areas of agriculture, and education. It will allow the Bank to undertake new initiatives in the field of multinational project financing.

The arguments favoring the proposed increase in our contribution appear to me to be quite conclusive. Let me review the most important of these.

To begin with, the increase will enable full continuation of the important economic development work of the Inter-American Development Bank which was established on a bipartisan basis under President Eisenhower in 1959.

Second, the increase has been negotiated and agreed upon by all member countries of the Organization of American States and endorsed by the Presidents of the Americas. President Johnson supported increased U.S. participation at the Punta del Este meeting.

Third, the Latin-American countries are increasing their contributions by 100 percent to match the $900 million by the United States and are making efforts to achieve necessary economic reforms.

Fourth, much has been done to try to protect the U.S. balance of payments. In fact, Treasury Secretary Fowler has submitted information to the Congress indicating that the overall effect of the Bank's capital by Latin American members and bond issues made abroad.

Mr. Chairman, a revolution is sweeping Latin America. It is not one prompted by Castro, and is not reflected in the activities of the Bolivian guerrillas, or the terrorism of the FALN.

There is a legitimate revolution of rising expectations among the growing number of students, professionals, technicians, and members of the middle class. This revolution is reflected in the new leaders, like Frei, and Belaunde and in the sincere attempts at reform and development.

There is evident pride in the ability of self-accomplishment, yet there is also the telling reality that self-help must be supplemented by the United States.

Last year our gross national product was seven times larger than the total gross national product of the entire region being assisted by the IDB. This region has a population 20 percent larger than the United States and a land area four times ours. Its potential for wealth and prosperity is staggering, and only exceeded by the reality of its present poverty. While we consider an income of $3,000 a year at the poverty level, the average income for the people within the IDB region is $384 a year.

Certainly the Inter-American Development Bank will not solve all these immense problems. Yet, it is the most successful and encouraging program operating. For these reasons, I will vote for the legislation before us. There is too much at stake to do otherwise.

Latin America is in a critical period of change. It can progress toward self-sustaining economic growth, democratic political stability and greater regional cooperation. Or, it can fall prey to political and social turmoil and economic stagnation.

What course Latin America will follow is closely linked to the action we take on the legislation we are now discussing. I urge our action be affirmative and constructive. The Inter-American Bank has earned the Congress support.

Mr. PATMAN. Mr. Chairman, I support and will vote for this very necessary legislation which authorizes a U.S. contribution to the Inter-American Development Bank's Fund for Special Operations—FSO.

I believe the House should vote favorably on this legislation; and in order to help familiarize my colleagues with what will be involved, I want to address myself briefly today to H.R. 9547.

This bill calls for a U.S. contribution of $300 million per year for three years to the FSO which will need new funds by 1968 to continue its easy-term lending activities. The amount represents a $50 million increase for each of the next three years over the $250 million the United States has been contributing annually. The increased U.S. contribution will be matched by stepped-up contributions by Latin American member countries of the IDB.

There is no question in my mind that the proposed U.S. contribution is a prudent one. Although it would require an increase in our dollar commitment, the net gain which would arise from this proposal far exceeds the $50 million increase sought. Not only would it greatly enhance the economic development of our Latin American neighbors, but help to move these nations toward greater democratic stability and unity.

It is important to point out that the increased U.S. contribution will not involve budgetary expenditures for the United States until such time as the funds are disbursed under loans committed by the Bank since the U.S. contribution will be made in the form of a letter of credit.

Equally important are two other points about the U.S. contribution. First, it represents a declining amount of the U.S. share in the total IDB capital—from some 85 percent to 75 percent. Second, our balance of payments will suffer very little from the contribution, if at all, because the payment is tied to the purchase of goods and services in the United States and member countries only.

I am well aware that there is increasing skepticism these days about foreign assistance, particularly from those who argue that the world is ungrateful of U.S. foreign aid. This has not been so in the case of Latin America. These nations, more than any other group in the world, have generally supported the U.S. position.

If economies should be made in U.S. foreign aid, I believe that they should not be made in our contribution to the IDB. As you know, this contribution is the result of long negotiations with other Latin American nations and was reaffirmed at the recent Punta del Este Summit Meeting of Presidents.

If the Bank is to carry out its assigned mission, it must be provided with resources necessary for the task.

The IDB deserves the full support of the United States. The Bank provides an excellent example of the Latin Americans' willingness and interest in working together to help themselves. Since its beginning in 1960, the IDB has been one of the most important institutions of the Alliance for Progress. In the 7 years since then, the Bank has built an impressive record in contributing to self-help objectives of its member countries through: First, mobilization of internal financial resources at least equivalent to the total amount of its loans in fields related to its lending activities; second, the creation of new institutions, and the improvement of existing institutions in the Bank's program areas; third, the training of large numbers of people required for efficient public administration; and fourth, innovations leading to improved economic efficiency.

The additional resources that are asked for under H.R. 9547 will permit the Bank to expand its activities in the fields of agriculture and education. The Bank's current plans are to double its expenditures in agriculture and to substantially increase its expenditures in education. There can be no question of the need for greater efforts in these two areas.

The proposal before us tomorrow, if approved, will bring about one of the greatest steps forward in terms of Latin American self-help and economic independence since the IDB was started in 1959.

It is in the best interest of the United States to promote a sound, healthy, independent Latin American economy, one based on the growing philosophy of Latin American self-help. The legislation before us today, when enacted into law, will be a great step toward that end.

However, if we fail to keep the $300 million per year U.S. contribution intact, and if that amount is cut in any way, the economic loss to Latin America and indeed to ourselves will be great.

I strongly urge that we deal with this issue, by promptly and overwhelmingly, passing H.R. 9547.

Mr. WIDNALL. Mr. Chairman, I have no further requests for time.

Mr. PATMAN. Mr. Chairman, I have no further requests for time and ask that the Clerk read.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Inter-American Development Bank Act (22 U.S.C. 283–283k) is amended by adding at the end thereof the following new section:

"SEC. 15. (a) The United States Governor of the Bank is hereby authorized to vote in favor of the resolution entitled 'Increase of $1,200,000,000 in Resources of Fund for Special Operations' proposed by the Governors at their annual meeting in April 1967 and now pending before the Board of Governors of the Bank. Upon the adoption of such resolution, the United States Governor is authorized to agree, on behalf of the United States, to pay to the Fund for Special Operations of the Bank, the sum of $900,000,000, in accordance with and subject to the terms and conditions of such resolution. The United States Governor is also authorized to vote in favor of the amendment to Annex C of the agreement, now pending before the Board of Governors of the Bank, to modify the procedure employed in the election of Executive Directors.

"(b) There is hereby authorized to be appropriated without fiscal year limitation, for the United States share in the increase in the resources of the Fund for Special Operations of the Bank, the sum of $900,000,000".

AMENDMENT OFFERED BY MR. BROCK

Mr. BROCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROCK: On page 2, strike lines 4 through 7, and insert: "Board of Governors of the Bank, and in favor of any amendment thereto or substitute therefor the effect of which would be to fix the share payable by the United States at $750,000,000. Upon the adoption of such a resolution, the United States Governor is authorized to agree, on behalf of the United States, to pay $750,000,000 to the Fund for Special Operations of the Bank, in accord-".

On page 2, line 17, strike: "$900,000,000" and insert: "$750,000,000".

Mr. BROCK. Mr. Chairman, the purpose of this amendment was stated in the debate on the floor of the House. The effect of it is to maintain our current commitment of $250 million a year, and, if adopted, knock out the proposed $50 million a year increase in this particular piece of legislation.

As I said earlier, I believe the justification of such an amendment is fairly obvious on its face. The President has proposed a significant tax increase. We have no alternative but to look at every piece of legislation that comes before the House of Representatives, and exercise our responsibility to minimize the burden upon the taxpayers of the United States.

The taxpayer seems to be the forgotten American.

Mr. Chairman, many analogies were used in the debate. I particularly liked the one from the gentleman from California when he talked about rowing upstream in a boat with a leaky bottom. The analogy is fairly correct. It seems to me it is our responsibility to plug a few leaks. How can we justify increasing this program by $50 million, and increasing the taxes of the American people by 6, 8, or 10 percent?

Mr. Chairman, it is about time we brought this boat over to the shore and did a little repair work. The boat is the boat of freedom. It is borne on the backs of the American people, on their productivity, and there is a limit to the breadth of their shoulders and their strength.

Of course, there is responsibility to help build these nations up, and to encourage them to have self-government. But when you talk about Bolivia, Peru, and others falling to communism, why do we not look at the source of the cancer, and start talking about Castro?

Please do not give me this business about the social progress fund saving the world. The poverty program did not save Detroit or Newark. Money is not magic—and "dollar diplomacy" has failed, too.

Mr. Chairman, it is about time we exercised some responsibility in this Congress, and some restraint. Two hundred

and fifty million dollars a year is a whale of a lot of money to most people. I believe it is fully adequate to fund this program.

I would be deeply grateful—and I believe most of our country today would be deeply grateful—if you would support this amendment.

Mr. REUSS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to this amendment. It will determine whether the House of Representatives is serious in supporting the Alliance for Progress. I am very proud to say that this is a bipartisan bill that we have before us, and to say that a vast array of distinguished members of the minority, ranging from the ranking minority member of the committee, Mr. WIDNALL, have given their vigorous support to this proposed additional $300 million a year for the Inter-American Development Bank.

Much has been said by the proponent of this amendment about the budget. We are indeed in a period of deficit, and it is indeed true that a tax increase measure is waiting in the wings. But let me make it very clear that this proposed addition to the funds of the Inter-American Development Bank has nothing to do with the fiscal 1968 budgetary situation. The fiscal impact of this new contribution on the American budget, is zero dollars in 1968, $25 million in 1969, and $75 million in fiscal 1970.

Therefore it has no budgetary impact whatever during the period in which we are admittedly faced with budgetary stringency and with a possibility of a temporary tax increase.

In terms of the need of Latin America, the need is not for $300 million a year of foreign assistance or $600 million a year of foreign assistance, the need is nearer $1.5 billion a year of foreign assistance. Thus we are simply putting in about one-fifth of what any responsible economist has said is needed to prevent chaos and disaster from falling upon Latin America.

I will remind the Members of the fact that just a few months ago this House, by a 2-to-1 majority, 234 to 117, told the President of the United States that he should go to Punta del Este and there agree with the Latin Americans on a Latin American aid budget of the precise dimensions that we are talking about here this afternoon.

So because we do not want to repudiate our President and because we do not want to back down on the Alliance for Progress now and because this has nothing whatever to do with any budgetary stringencies that we now find ourselves in, I strenuously urge that the amendment be voted down.

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

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

Mr. HANNA. Is it not additionally true that what we would lose is the leverage we have gained with the countries of Latin America by their increases? By a small impact of $25 million, which does not hit until the next budgetary year, we will open the follow-on of additional capital by the other 22 nations in the Bank. We made an immediate commitment for a leverage of 3 to 1 in Latin America that we have not had up to now.

Mr. REUSS. The gentleman is so right. We increased our commitment by a very small one-sixth. Latin America increased their commitment by a very noble 100 percent. They doubled theirs. Therefore, we get some leverage out of this commitment. In the name of commonsense, we should stick to it.

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

Mr. REUSS. I yield to the gentleman.

Mr. GERALD R. FORD. I did not intend to comment on the Brock amendment until the gentleman from Wisconsin referred to the fact that the House of Representatives supported the resolution that preceded the President's going to Latin America earlier this year.

I think if anyone objectively reads that debate that took place on the floor of the House, they must come to the conclusion that the President was cautioned repeatedly that this trip should not result in committing the United States and the Congress to any dollar figures. We urged him to go. We thought it would be helpful for him to be there representing us and bringing these various nations together. But it was said repeatedly that there should be no dollar commitment that would later be brought to the floor of the House and used as a justification for any specific sum, or for any subsequent legislation. I think the record of the debate at that time proves that beyond any doubt whatsoever.

Mr. REUSS. In response to the point just made by the distinguished gentleman from Michigan, let me say that in the report of the Committee on Foreign Affairs, it was made very clear that the President was going to discuss the extra $50 million. It is perfectly true that the Congress in voting so overwhelmingly for that resolution was not authorizing any set sum.

But I say that the President was fair with the House of Representatives in coming before us and telling us what he wanted to do. We told him, "Yes, you go there with our blessing."

Then he did precisely what he said he was going to do and he made an excellent bargain of it and I, for one, am not going to repudiate today the vote that was made on March 22 when this resolution was before us.

Mr. GERALD R. FORD. Without committing myself as to how I intend to vote, if I do vote either to recommit the bill or to reduce the amount or to vote against the bill—under no circumstances would I say that those votes would be a repudiation of the vote that I cast for the resolution, to which the gentleman referred earlier.

As a matter of fact, the vote to make a reduction is perfectly consistent with the vote that was cast in favor of the resolution a few months ago.

I would like to add just one thing. I want it perfectly clear that at this point I feel under all of the circumstances we face at home budgetwise and fiscally speaking, it is my intention to support the gentleman from Tennessee in his effort to make a reduction in the amount of money involved in this bill.

Mr. REUSS. I would ask the gentleman just one more thing. Here I am referring to the CONGRESSIONAL RECORD at page 7656 of March 22, 1967, which is when we were debating the so-called Punta del Este resolution.

The gentleman from New Jersey [Mr. FRELINGHUYSEN], a distinguished Member of the party of the gentleman from Michigan and a member of the House Committee on Foreign Affairs said:

> Mr. Chairman, under the present arrangements we are providing $250 million a year for the Bank and the President's proposal is to make available an additional $50 million.

Then the gentleman from Michigan [Mr. GERALD R. FORD] said—and I want to give him credit for his position:

> There is no commitment on my part—and I believe by the House—for any dollar amount for any of the programs contained herein by a vote in favor of this particular resolution.

I think the gentleman's skirts and conscience are clear on this. But let me say that to many a score of other distinguished Members who heard what Mr. FRELINGHUYSEN and what everyone else was saying, we were telling the President of the United States to go to Punta del Este with our blessing, and that we did not have our fingers crossed, and that we meant to back him up in what he said there; and today Members will vote on this according to their conscience.

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

Mr. REUSS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Since the gentleman mentioned my name, I would like to point out that the Secretary of State did come and specified that it was expected that there would be an increase requested in the authorization for this program. So I think in effect we were on clear notice that if certain steps were taken and that if the resolution was passed and if the conference came out as it was anticipated, that the administration would come in, as they did, and request the additional sum. You can call that a moral commitment or not as you view it individually. I happen to feel that we were on notice of what was anticipated, and if we had reservations about it, we might well have been cautious about approving the resolution itself.

I think you can come to different conclusions, and no doubt we will, but I think the administration was quite clear with repsect to this immediate plan for this additional money.

Mr. REUSS. I agree, and I thank the gentleman.

SUBSTITUTE AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

> Amendment offered by Mr. GROSS as a substitute for the amendment offered by Mr. BROCK: On page 2, line 7, strike out "$900,000,000" and insert "$500,000,000".
>
> On page 2, line 17, strike out "$900,000,000" and insert "$500,000,000".

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes.

Mr. GROSS. Mr. Chairman, I am intrigued by the colloquy which just took

place with respect to the Punta del Este resolution. I do not think anyone in this House thought at that time that they were voting for any kind of a specific commitment with respect to the President's attendance at the Punta del Este meeting.

If I remember correctly, the other body across the way took such a dim view of the resolution that it took no action. So here we are told today in the House of Representatives that we must vote to carry out a specific commitment, a commitment that does not exist.

What would my amendment do? It would put this on approximately the same basis as the subscription of the United States to the capital fund of the Inter-American Bank. I can think of no reason why the House this afternoon should support a 75-percent contribution to this particular fund. Why? This would be the second highest contribution in the life of this Inter-American Bank. It has been down to some 66 percent, as I understand it. Why 75 percent of the total subscription to this fund by the United States at a time when the taxpayers, as has been so well said here this afternoon, are already overtaxed and will soon be confronted with another Federal tax increase bill?

We have no obligation to build roads in Latin America or anything else in Latin America. We have a first obligation to the people to save this country from bankruptcy. And I say to you that that is exactly what you are looking at down the road. I want to see how you perform when the bill comes in to increase taxes and relate them to this kind of spending.

I, too, happen to be on the Foreign Affairs Committee of the House, and I think I know a little something about what goes on in Latin America. I know that they go out and contract for locomotives from Communist East Germany. We do not even get the benefit of the money we hand out so lavishly. Oh, they will tell you at the State Department that they do not use the money that this Government puts into this Bank and other such institutions to buy the locomotives in East Germany, that they use their own money. But if they did not have this line of credit from the United States, this soft loan window, the chances are they would not be buying locomotives anywhere.

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

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

Mr. ASHLEY. Mr. Chairman, I would like to ask the gentleman if we have no commitment, moral or otherwise, to build roads in Latin America, or otherwise try to assist those countries in achieving social progress, why does the gentleman limit his amendment? Why does he not go all the way?

Mr. GROSS. I entertain just a faint glimmer of hope that we might be reasonable enough and sensible enough here this afternoon to cut deeply into the $900 million in this bill. That is all. I would gladly offer an amendment to knock out this whole cockeyed business if I thought there was a chance of success.

Mr. ASHLEY. I was just wondering why the gentleman did not.

Mr. GROSS. I would gladly do so, if I thought the gentleman and others of his persuasion would vote with me. I thought I might induce the gentleman and others into giving reasonable consideration of the taxpayers of this country, who, after all, have to put up the money. I urge adoption of my amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York, a member of the committee [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have been here only about 20 years. There has never been a session during those years when somebody has not gotten up on the floor of this House and said that we are going down the road to bankruptcy because we are spending too much of the taxpayers' money. And each year I have been proud that I was able to stay here and see our gross national product increase, and the income level of our own people increase, and this country become a better and a more progressive nation on every level and in every community. Also I have seen the increase of our ability to start and to carry on with programs such as this.

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

Mr. MULTER. I yield to the gentleman from Iowa for just a moment.

Mr. GOSS. Mr. Chairman, the gentleman has also seen the staggering Federal debt grow by the day and hour.

Mr. MULTER. Yes. And despite the gentleman's annual dire predictions, none of which have come true, I am glad to say, just the opposite has happened. The gentleman should know that every business has grown bigger and more profitable, almost in direct proportion to the increase of its debt. Our great country has done just that, too. Every dollar of debt of the United States has produced many times that amount in good solid valuable assets and earnings over and above all of the manifold intangible benefits to our own people and to people the world over.

If every debtor spent himself into bankruptcy as our great country has, we would need no bankruptcy laws because we would have no insolvency.

I have also seen and heard the same arguments, and with all due deference to those who made them, I say they are the same nonsensical arguments we are hearing today that we have heard in the last 20 years.

One of our colleagues was talking about the balance of payments and saying he would like to have more time to talk about it because our committee failed to mention the subject. He asked why the Committee on Banking and Currency did not consider it. There are four pages in our committee report on this bill entitled "Balance of Payments." We did, in committee, give the matter very close attention, and we not only had it in mind but decided that this program helps our balance of payments.

We have in mind that for every dollar we send to Latin American countries to help develop their own economy, we are helping people here at home, because most of that money is spent here in the United States.

Let me briefly refer to the talk about commitments and there being no commitment. Maybe there was not any commitment, but let me read from the debate on March 27, 1967, on this matter, from a colloquy between the gentleman from Iowa [Mr. GROSS], and the gentleman from New Jersey [Mr. FRELINGHUYSEN]. In that very colloquy, after talking about commitments, the gentleman from New Jersey [Mr. FRELINGHUYSEN], said he thought this was a conditional commitment, and it was conditional — conditional on South American countries doing what they have now agreed to do. So that, having satisfied that condition, our conditional commitment is now unconditional. Then the gentleman from New Jersey continued:

> This is so especially in view of the testimony of the Secretary of State and the President's Message. These statements show a clear intention on the part of the Executive Department to provide $50 million more than has been made available for these purposes.

That is all we are asking for in this bill, that additional $50 million. The gentleman from Iowa now would not only strike that, but also a lot more besides.

Let me give verbatim the answer as it appears in the RECORD, by the gentleman from Iowa [Mr. GROSS], to the gentleman from New Jersey [Mr. FRELINGHUYSEN], after the gentleman from New Jersey [Mr. FRELINGHUYSEN], as I just read, said, "This is a commitment."

The gentleman from Iowa [Mr. GROSS] said, "The gentleman is correct."

Perhaps he can quibble about it. Perhaps he can get out from under it. Perhaps there is no commitment.

Whether there is or there is not, this is a good program. It is a program where we are helping ourselves while we help others to help themselves.

When we started this Bank, we required the United States to subscribe $11 for every $1 which the South American countries subscribed. When we amended it the last time, we subscribed only $5 for every $1 of theirs. Now we reduce that further so that our commitment is brought down to a 3-to-1 commitment.

This is a good program. I beg of you: do not gut it. Vote down the amendment offered by the gentleman from Iowa and vote down the amendment offered by the gentleman from Tennessee.

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

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

Mr. GROSS. I have been around here for 19 years. The reason why I said it was a commitment was because I have not seen a Democrat President yet who went to an international conference who did not make some kind of an under-the-table deal. That is why, and it was the only reason why I spoke of a commitment.

Mr. MULTER. Whatever the reason may be, I am happy to know the gentleman agrees it was a commitment. It was not under the table. It was not only out on the table; it was publicly announced in advance.

Not only was it a commitment by a Democratic President, but it was also a commitment by the President of the United States backed up by this House of Representatives. We ought not run out on it. This does not depend upon who the man may be who is President. We ought not run out on our own selves, and we ought not run out on those friends we have in South America.

Mr. JONAS. Mr. Chairman, I move to strike the last three words.

Mr. Chairman, I should like to direct this comment to the distinguished gentleman from Wisconsin, who spoke earlier. As I recall his statement, he said there would be no budgetary impact to speak of in 1968, very little in 1969, slightly more in 1970, and perhaps the heaviest impact would come in 1971.

As I read the report of the committee, it indicates that $300 million will be made available in fiscal year 1968, a similar amount in 1969, and a similar amount in 1970, of course in the form of letters of credit. There is nothing in the report to indicate that there will be any drawing down of these funds at any particular time, but the letter of credit would be used whenever the Bank needed the money to make the loans; is that correct?

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

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

Mr. REUSS. Yes; it is substantially correct.

Let me call the attention of the gentleman from North Carolina to the exact words of the report, contained on page 7:

> As that payment will be made in the form of a letter of credit, it will not entail budgetary expenditures until such time as the funds are actually disbursed under loans committed by the Bank. The committee was informed that no budgetary expenditures are expected in fiscal year 1968.

I may say to the gentleman that I have as recently as this morning reconfirmed that. There will be no budgetary expenditure under this legislation in this fiscal year.

Mr. JONAS. I cannot understand how anyone can give such assurances. If what you said is so, they do not even need the money. Therefore, why are we asked to authorize it now?

Mr. REUSS. I shall be glad to answer the question. The same question occurred to the gentleman from Wisconsin, when this arithmetic was first unveiled to him. What happens, is that the authorization is, of course, needed so that the Bank can know what it can do in the years to come based upon what is needed. Each "country" plan application is reviewed in the country mission, reviewed in Washington, and validation of the application is studied, and, then finally, the ordering of the goods from North Carolina or Wisconsin or Tennessee, or from wherever point they may come in the United States. Then there is the issuance of a letter of credit so that the actual budgetary impact is delayed, as I said. I am not undertaking to kid anyone with reference to the fact that by the end of 10 years from now the whole amount will have been paid out. But, it takes about that long.

Mr. JONAS. I thank the gentleman from Wisconsin. But with all due respect, I must say that it is a rather involved explanation, and its fulfillment is, of course, based upon hope. However, it is clear that the end result is that after the appropriation is made, the money can be withdrawn whenever the Bank needs it and immediately when that happens, there is an impact upon the spending program.

May I also say that I hope the gentleman will not make too much point about spending this money in North Carolina, Wisconsin, or elsewhere, as the gentleman from New York did in his remarks.

I call attention to a speech made last Monday by the distinguished gentleman from Washington [Mr. PELLY] in which it was stated, that Secretary of Defense McNamara said before a Senate committee that arms sales to foreign countries result in employment for U.S. workers and profits for U.S. businessmen. I think that was an unfortunate statement. I do not see how we can justify the sale of arms to both sides, for instance, in the Middle East, and elsewhere, on the basis of stimulating the American economy.

Mr. REUSS. Mr. Chairman, will the gentleman yield to me on that point?

Mr. JONAS. I first yield to the gentleman from Tennessee because I discussed this matter with the gentleman and he sought to interrogate the gentleman from Wisconsin but he could not obtain recognition for the purpose of doing so.

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

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

Mr. BROCK. Mr. Chairman, the gentleman's statement is entirely correct. We have worked upon the assumption, as the gentleman from Wisconsin correctly points out, that there will not be a need for this in the current fiscal year. But it is an assumption. There is no guarantee to that effect. I think of more significant concern to this House is its consideration of the proposed Presidential tax rate increase—the possibility of that tax rate increase—which will undoubtedly be justified on the basis that we may have a $24 billion to $29 billion deficit this year. This $300 million is a part of that deficit.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there may be a question about whether this House is under some form of commitment by reason of our discussions at Punta del Este, or whether our decision on this bill should be based upon other considerations.

I certainly believe that the pending amendment should be defeated. I believe this bill should be passed by the House substantially as reported by the Committee on Banking and Currency. Personally, I do not base my judgment on that point on a feeling of obligation to Latin America, although I do feel very strongly that some of the best friends we have in the world are located in Latin America; it is a matter of record that whenever this Nation has come under any threat to its freedom and liberty, some of the quickest and most effective help which we have received has come from Latin America.

But I do not base my own convictions about this particular bill upon that consideration. I base them, rather, upon the conviction that the enactment of this bill is in the best interests of the United States of America; that it is in our best interest to strengthen the Inter-American Development Bank.

The gentleman from Iowa, who is sponsoring the deeper cut of the two amendments that are before us is, I understand, a member of a subcommittee which reported just a couple of weeks ago on what is happening in Latin America today. I do not believe there is any better authority on Latin America and what is going on in Latin America in this House than the gentleman from Alabama [Mr. SELDEN], who has been chairman of a subcommittee of the Committee on Foreign Affairs for a number of years, dealing with Latin America and the problems of that continent. And the committee on which these gentlemen served, my good friend from Iowa [Mr. GROSS] and the gentleman from Alabama [Mr. SELDEN], has reported to the Nation in the last few weeks that Communist guerrilla activity is on the increase today in Latin America, that the threat to the independence and security and stability of free governments in Latin America is growing by the hour.

To me it makes a great deal of sense if the Chiefs of State of the various nations of Latin America agree with our Chief of State that the Inter-American Bank is one of the best bulwarks that we have for stability and for democratic government in Latin America, it would be good sense for us to put some chips on the table in support of that particular institution.

Mr. Chairman, here is an institution that is endeavoring to strengthen the free economies in Latin America. Here is an institution that is endeavoring, and successfully, I believe, to build stronger foundations for free democratic governments on that continent. Here is an institution that is on the frontlines insofar as the people of Latin America are concerned in the fight against Castroism, and communistic aggression by internal subversion.

We are presently spending a couple of billion dollars a month in Vietnam to stop Communist aggression over there, and we are spending also the precious lives of our boys. Does it not make sense to you to send the dollars to Latin America necesary to win the war against Communist aggression and Castroism right in our own backyard in Latin America, or do you want to save a few million dollars here on this bill and have another Castro regime next month or a few days from now established in Bolivia or some other Latin American country as a result of our failure to keep the commitments of our Chief Executive to the leaders of the free governments of Latin America?

To me, Mr. Chairman, it makes good sense in the interest of our own country in the fight against Communist aggression, and in the fight to keep stable, friendly governments and stable, friendly economies in operation in Latin America to support this bill and to defeat the pending amendments. I hope the amend-

ments will be defeated overwhelmingly by this House.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to end the debate in 5 minutes on the Gross amendment and the Brock amendment.

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

Mr. GERALD R. FORD. Mr. Chairman, reserving the right to object, the gentleman initially said the Gross amendment.

Mr. PATMAN. I did, and then I changed it to both of the amendments. We have had a lot of discussion on this.

Mr. GERALD R. FORD. I appreciate that, but I wanted to be crystal clear on what the gentleman intended, and I was not sure until I heard the full explanation of his comment.

Mr. PATMAN. I am asking that the debate close on both amendments.

Mr. GERALD R. FORD. Mr. Chairman, I object if it is on both amendments.

Mr. PATMAN. Mr. Chairman, I move that all debate on the Gross amendment close in 5 minutes.

The motion was agreed to.

Mr. HARVEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened here this afternoon to this debate with great interest. I had the opportunity to serve for 6 years on the Committee on Banking and Currency, and as such I believe I came to be rather familiar with the Inter-American Development Bank. I do not know whether I have a commitment or not to vote for the total amount of this authorization. But very franky, I did have a pretty good idea when that resolution came before this House a few months ago that it was going to cost money, and I had a pretty good idea about what it was going to cost. We were told as much at that time. I very reluctantly—and I mean that sincerely—very reluctantly this afternoon rise to oppose the Gross substitute amendment, and the Brock amendment.

Mr. Chairman, I rise in support of this bill. I do not recall at any other time in the 7 years that I have been a Member of the Congress that I have taken such a position as I do now against the substitute amendment or any amendment offered by one of my colleagues on this side of the aisle and arisen to speak against that amendment. But I intend to do so here this afternoon, because I think that the substitute and the amendment, both of which would reduce the amount of our effort, would be wrong and that the bill, as it comes before us, makes eminent good sense.

I want first of all to say to you so far as I am personally concerned, I have had some experience in economy too. I stood with my colleagues on this side of the aisle and voted for the Bow amendment on every appropriation bill that came before this House. I supported that 5-percent reduction over and over again.

I will say to my colleagues, I have not been a champion of foreign aid either. I have opposed the foreign aid bill for 6 out of the 7 years that I have been here in the Congress. But I have supported this Inter-American Development Bank in the 6 years that I have served on the Committee on Banking and Currency and I support it here before you this afternoon, as I support also the International Development Association.

I think they are two very fine international lending associations. They are organizations which were formed during the Eisenhower administration.

I ask my colleagues on this side of the aisle, are we going to forget that? Have we such short memories as that? I cannot believe it. I just think that what is going on in this Bank makes sense in South America today. I do not believe that we as a nation or that we in this Congress can ignore one of the greatest trouble areas in the world and certainly not the greatest trouble area in this hemisphere. I just cannot believe that.

I cannot believe either that the leaders in my own party have this short view of world affairs and are taking such a short view of the future, with regard to an organization that was formed under President Eisenhower.

Mr. Chairman, it makes sense to me that we work through an international organization such as this, with loans instead of grants. It makes very good sense.

It makes sense to me also that we do this on a multilateral basis and that we thereby try to involve these nations of Latin America and South America and that we try to get them to help themselves. This is what we have been preaching. This is what I have been telling my constituents that I want these nations to do. This is what we are trying to do through the Inter-American Development Bank.

I, for one, am not going to turn my back on President Johnson on his request here for this $900 million. I will go to my constituents proudly and tell them that this is one of the programs I voted for. I urge my colleagues to do likewise. Vote against the substitute and this amendment and give the Inter-American Development Bank your support.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Iowa [Mr. GROSS].

The substitute amendment was rejected.

Mr. ALBERT. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment offered by the gentleman from Tennessee [Mr. BROCK].

Mr. Chairman, the fine speech that the gentleman from Michigan has just made, it seems to me should impress the House as it certainly has impressed me.

Mr. Chairman, I do not know whether the House made a commitment in March or not, but I follow the gentleman when he says that he felt he had made a commitment.

But, Mr. Chairman, I felt that we had a commitment when we said in House Joint Resolution 428:

> The Congress further supports United States participation with the other members of the Inter-American Development Bank in the provision of resources to that institution to be used for financing multinational projects which promote Latin American economic integration.

Mr. Chairman, I think when we said that we meant it. I think we meant to back it up if necessary and to back up the President of the United States after he went to the Punta del Este Conference to discuss this matter with the representatives of the Latin American countries who attended that Conference. If we adopt the pending amendment it would seem to me that we would be crawfishing on our own resolution. We would be moving backward on our own aims and resolutions.

The pending amendment betrays a spirit of defeatism concerning the operations of one of our most successful institutions involved in building a spirit of unity and cooperation between the Americas. At the same time the amendment strikes down our contribution it also diminishes the contribution of the Latin American countries. It deprives us of the right and benefit of an increased contribution from those countries. Their contribution, heretofore, has been $50 million each year. Under the resolution pending before the Board of Governors of the Bank, Latin American countries would increase their contribution by an additional $50 million a year. If we do not increase our contribution, then their contribution will remain the same. Thus the Bank's fund for special operations will be deprived of $100 million annually which it hoped to receive to carry out existing plans for expanded support of agriculture, education and health. Our neighbors to the south are offering a 100-percent increase in their contributions. If we adopt the pending amendment, we deprive ourselves of the present opportunity of bringing about increased contributions from the Latin American nations.

Mr. Chairman, the bill before us, in addition to providing authority for modifying the procedure employed in the election of executive directors, will authorize the U.S. Governor of the Bank to vote in favor of the resolution pending before the Board for an increase of $1,200,000,000 in resources for the Fund for Special Operations, and upon adoption thereof to agree on behalf of the United States to pay to that fund the sum of nine hundred million dollars, without fiscal year limitation, which by annual appropriation three hundred million dollars would be contributed as our share of the fund during the fiscal years of 1968, 1969, and 1970. The Latin American nations who are members of the Bank will pay into the fund over the same period, $300 million.

Mr. Chairman, those who support the pending amendment suggest that the contribution on our part be cut to $750 million because of the drain upon our resources caused by the war in Vietnam. This is downgrading the real strength and capacity of our great country; $50 million a year for 3 years will not endanger our National financial situation. In the first place, our annual productive power, which is on the increase each year, is almost one-half that of all of the rest of the world combined. Eleven Northern States have more productive power than all of Soviet Russia. California alone produces more than all of Communist China. The eastern half of

the United States equals in productive power that of all of Western Europe. All of Africa produces little more than our one great State of Illinois. De Gaulle seeks to establish France as a political and diplomatic equal of the United States, yet New York, Connecticut and Rhode Island yearly produce more than all of France and Ohio produces as much as India with its teeming millions of population. America is a Nation of might and power. Our Nation, Mr. Chairman, is strong.

Mr. Chairman, I agree with the gentleman from Michigan when he says he does not understand why the leaders of any political party would oppose this approach in view of the fact that the outstanding leaders of both political parties for the past 15 years have favored this approach.

President Eisenhower, President Kennedy, and President Johnson in turn have urged our full support and cooperation with the aims and plans of the Inter-American Development Bank. The authority for our participation was first urged upon the Congress by President Eisenhower. President Kennedy relied strongly upon the Bank as a means of promoting the Alliance for Progress. In his message of March 13, 1967, President Johnson said:

> Approximately 150 million over a three year period should provide additional funds to the Inter-American Bank's fund for special operations. . . . We will request Congressional authorization to provide this amount together with our regular two hundred and fifty million annual contribution for the next three years to the Inter-American Bank's Fund for Special Operations.

Mr. Chairman, for my part, I give my support to this bill largely because of the past accomplishments and the future program of the Bank. Let us briefly consider what great good it has already produced. Toward the goals of bringing progress and prosperity to South Americans, the Bank, from its special operations fund, which is the fund affected by this bill, approved 48 loans to the amount of approximately $291 million—of this total $88 million, or one-third, were devoted to agriculture which provided increased food supplies and contributed to the realization of the aims of the "Alliance for Progress." Included in this amount was $57 million for improved land use. Forty-seven million dollars was allocated to water supply and sewage systems. Forty-seven million dollars went for improved housing. Twenty-nine million were advanced for the cause of education.

Persuasive argument in support of the $900 million contribution on the part of the United States is found in the statement of Assistant Secretary of State Lincoln Gordon, which he made before the committee:

> The Bank expects to double the amount of loan funds it channels into agriculture.

And, as stated in the committee report:

> The requested increase would permit the Bank to expand the magnitude of financing it provides to the top priority areas of agriculture, education and health and to perform the roles of leader and catalyst in the further development of Latin America in cooperation with other financing agencies.

Mr. Chairman, it is my sincere hope that my colleagues will enact the measure as proposed by the committee, and thus continue far into the future the plan proclaimed in the "Declaration of the Presidents" at Punta del Este, April 4, 1967. By our nine hundred million contribution to the Inter-American Bank, let us forge from its contributions to the prosperity of peoples, a great and shining sword of democracy and of freedom by which we may turn back the aggressive assault upon liberty now being conducted by the Communist enemies of peace and progress.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it had not been my intention to comment during the debate on this measure, because there are some on our side of the aisle who strongly favor the legislation and the amount that is recommended in the bill. On the other hand, there are many who feel that the bill is sound or that the program is desirable but, because certain fiscal circumstances today are different from any we have faced since the history of this legislation, feel that maybe there ought to be some savings here in light of those circumstances.

And, of course, there are some on our side, and I suspect on the other side of the aisle, who are just opposed to this legislation, and the most recent vote and others clearly reflect that.

Even though I have supported the legislation in the past, and my vote indicates that, and even though I do support the legislation today, I feel that under the current fiscal situation we face in this country, this program should not be immune from change.

If we accept the $900 million figure, the House of Representatives is rubber-stamping the program without any consideration of the merit or lack of merit of that total amount. I do not believe this Congress ought to stand idly by and just accept what the Chief Executive committed this country to in this program. He did not go down there with any commitment from Congress as to any dollar amount. He does not have any assurance today that the majority of this body will give him precisely to the penny what he committed in Latin America this year.

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

Mr. GERALD R. FORD. Of course, I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Chairman, what the gentleman is saying is true, of course. There was no dollar commitment, and the Congress is not expected to rubber-stamp the President. But after we adopted the resolution which we did adopt in March, the President went to Punta del Este and he made what I think the gentleman and all Members of the House will agree was a proper and reasonable commitment in line with the action which the House had taken. Since the President did, as he was certain to do, make a reasonable commitment with the representatives of other nations, it seems to me we should support the President of the United States in his request.

Mr. GERALD R. FORD. Of course, the commitment that the President made was made 3 or 4 months ago. At that time I believe he and perhaps many others were still living under the budget document that was submitted in January, which has proved to be a totally fallacious fiscal statement. Now that we know a little more about the state of our Federal finances, I think all of us, including the President, ought to take another look at some of the programs overseas as well as those at home. For a number of reasons, including that, I believe the House of Representatives ought to exercise its own judgment on whether or not we can afford to increase this commitment from what we have lived under for the past 3 fiscal years.

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

Mr. GERALD R. FORD. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I thank the distinguished minority leader very much for yielding. To make the argument that the fiscal situation is making it impossible to carry out commitments agreed to by the Presidents of these republics goes right in the face of the fact that we previously passed the bill creating the Inter-American Bank at a time when we had a $12 billion deficit, and at that time we entered into an agreement to match Latin-American funds 11 to 1, while now we have moved on to a 3-to-1 ratio.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield for a correction? I am informed that at the time it was started, in the first instance, the ratio was 2 to 1. I am informed by the technicians on the staff as to this matter.

Mr. EDMONDSON. Mr. Chairman, the gentleman may be correct in that. My understanding was that we started at 11 to 1 and we have come now to 3 to 1 as a ratio, which is a much more favorable ratio.

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

Mr. GERALD R. FORD. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

Mr. PATMAN. Mr. Chairman, reserving the right to object—and I shall not object in this instance—I wonder if we could agree on a time for limiting debate on the amendment after the minority leader takes his additional 5 minutes. Can we agree on 10 minutes.

Mr. HAYS. Mr. Chairman, I object.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to limit the time to 15 minutes.

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

There was no objection.

The CHAIRMAN. In 15 minutes all debate will cease on this amendment, after the time of the minority leader is completed.

The gentleman from Michigan is recognized for an additional 5 minutes.

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

Mr. GERALD R. FORD. I yield to the gentleman from Tennessee.

Mr. BROCK. Mr. Chairman, I might just point out two things in light of what

the gentleman from Oklahoma said. First, the bill originally was at a 2-to-1 ratio. It was not until 1961 that the ratio was changed to 11 to 1. But more importantly for the gentleman from Michigan, this amendment does not cut the existing program one single penny. It simply refuses the requested increase. It maintains the program at the existing current level of $250 million a year.

Let us be absolutely sure there is no misunderstanding. This is not a killing amendment. It is not an amendment to debilitate the program. It will maintain the program at the current level of $250 million a year.

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

Mr. GERALD R. FORD. I yield to the gentleman from Ohio.

Mr. ASHLEY. I thank the gentleman.

The effect of the amendment, is it not true, would be to keep the present level of commitment at $750 million? Is it not so that this would prevent the other member nations of the Inter-American Development Bank from going ahead with the increases in the Fund for Special Operations that were agreed upon? Will that not be the practical effect?

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

Mr. GERALD R. FORD. I yield to the gentleman from Tennessee.

Mr. BROCK. It will require renegotiation, but it will in no way affect their commitments. If their commitments were valid before, if they had the money to put in, they surely will have it now. There is no reason for them not to maintain their commitments. In fact, there is no reason for them not to increase them.

The Asian Development Bank asked only 20 percent. It seems to me these countries could spend a little more. This U.S. percentage is still an awful lot for the United States to contribute.

Mr. GERALD R. FORD. Mr. Chairman, I should like to reiterate what I said a moment ago. The circumstances within this country, so far as our fiscal situation is concerned, are quite different today from what they were 2 or 3 months ago. We have now what is alleged to be factual information from the Treasury Department which shows a far worse situation than it was 1 month ago, or 2 months ago, or in January.

If the President made a commitment in April, certainly we have the right to review. That is what this body ought to do today. We do not have to rubberstamp a dollar commitment made by the President, particularly when it was clearly understood in the debate on this measure in March that there was to be no dollar commitment.

I am informed that this particular amount is not a budgeted item in the first place. If that is the case, that is an additional reason why we ought to show considerable restraint and not merely roll over and play dead for a commitment made by the Chief Executive.

It is my strong feeling that the program is good, but that does not mean we have to say and do precisely what the President wants us to do in respect to a commitment he made without any authorization several months ago.

The CHAIRMAN. The gentleman from New York [Mr. MULTER] is recognized.

Mr. MULTER. Mr. Chairman, I should like to refer the Members to the statement of Secretary Fowler, which is a part of the hearing record.

There can be no doubt that when this program was initiated our contribution was on a basis of 11 to 1. When it was increased in 1964 it was reduced to a basis of 8 to 1. In 1965, when it was increased again, our commitment was further reduced to a basis of 5 to 1. If this bill prevails, it will be then on a basis of 3 to 1.

If the Members have any doubt, I ask them to look at the record and to read Secretary Fowler's statement.

There is no doubt that this program is of tremendous importance and of good use to our own economy here at home. A large part of that money has been and will be spent in the United States. We have that commitment from the Bank officials, and Secretary Fowler indicates that the bank has been living up to that commitment. He tells us that a large part of this money is being spent right here in the United States, thus improving our own economy and our balance of payments.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. LLOYD].

Mr. LLOYD. Mr. Chairman, as one who supported the resolution on Punta del Este, with the understanding there was no dollar and cents commitment as stated by the minority leader and as one who shares the belief in many of the comments made by my colleague, the gentleman from Michigan [Mr. HARVEY], that this multination loan program repayable with interest is preferable to traditional foreign aid programs I rise in support of the Brock amendment. I do this because of the projected deficit facing this country and because of the projected tax increase facing the citizens of this country.

Mr. Chairman, it has been necessary for me to vote for the Bow amendment calling for 5-percent reduction in all appropriation bills which have been offered, including the one yesterday, for example, which carried a 5-percent reduction for very important projects, reclamation projects in my district.

Mr. Chairman, I wish therefore to associate myself with the remarks of the gentleman from Tennessee [Mr. BROCK] who has so properly pointed out the fact that this legislation does not call for a reduction of the expenditures previously appropriated to the Bank, but only maintenance of expenditures which have been heretofore made.

Mr. Chairman, we cannot expect the citizens of the United States of America, faced with a possible tax increase—and we certainly do expect that demand to be made by this administration and further faced with a deficit expected to exceed $20 billion in fiscal 1968 to approve a large increase in this expenditure.

We must be responsible in domestic appropriations—we must be equally responsible in appropriations for expenditures abroad. I will support this legislation because I feel it is indispensable to the welfare of this Nation as was stated at the inception of the program during the Eisenhower administration. It is my most fervent wish, however, that the legislation be freed from this increased request for funds.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BINGHAM].

Mr. BINGHAM. Mr. Chairman, first of all, I would like to pay my respects to the distinguished gentleman from Michigan [Mr. HARVEY] for opposing this amendment, and also to the ranking minority member, the distinguished gentleman from New Jersey [Mr. WIDNALL], who earlier today stated that he was opposed to any cuts in the amount to which the President agreed at Punta del Este.

Mr. Chairman, I feel that the members of the Committee should be aware of what will happen if the amendment is adopted. Tomorrow morning, every newspaper in Latin America will say that the House of Representatives of the United States failed to support the promises that were worked out and supported by President Johnson at the summit meeting at Punta del Este.

If that is what we want, then let us vote for this amendment.

Mr. Chairman, if we think for 1 minute that the other nations who committed themselves to increases in their contributions will go ahead with their extra efforts if we refuse to carry through on the President's commitment, we are being totally unrealistic.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HARSHA].

Mr. HARSHA. Mr. Chairman, the present administration is requesting some $900 million for fiscal year 1968, 1969, and 1970 to finance "soft" loans for South American countries.

This is $50 million per year more than the Congress authorized in the last amendments to the Inter-American Development Bank Act or, a total of $150 million over that previously authorized.

The Congress cannot ignore the harsh realities of the Vietnam war and our economic situation. There have been forecasts that our troop strength in Vietnam will be increased to 600,000; knowledgeable officials have maintained our defense budget has been underestimated by some $6 billion; the Vietnam war is imposing a serious new drain estimated at over $1 billion a year on our adverse balance of payments position; there is growing speculation in Washington that we are facing a $24 to $30 billion budget deficit; recently, the cost of living went up three-tenths of 1 percent and prices are now 2.7 percent above a year ago; State and local taxes are increasing and administration officials continue vigorously to back a multimillion-dollar Federal tax increase.

This is the context in which the Congress must make its judgment as to the amount and conditions under which it will provide this $900 million for foreign aid programs.

The total U.S. foreign aid spending request for fiscal year 1968 is $5.6 billion, excluding military assistance to Vietnam, Thailand, and Laos.

It is difficult to explain to the American family struggling to meet the ever-increasing cost of living and taxes, why our Federal Government, facing these realities, should continue to spend billions in tax dollars overeas for foreign aid.

While it is nice to be able to help our foreign neighbors, the time has come when we must consider the American taxpayer and the realities of the times.

At the very least, if the Congress does not see fit to defeat this measure, for the time being because of these circumstances, it should, in good conscience, not increase it $150 million over what has been authorized previously. The amendment will not cut off the program but simply hold it to previous levels. If you fail to adopt this amendment you are placing yourself in a very untenable position when the request for a tax increase comes before you. How can you explain your action to increase spending and then not increase the taxes to provide for the spending? I urge the adoption of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. OTTINGER].

Mr. OTTINGER. Mr. Chairman, I speak to you as a person who has spent a great many years in Latin America and who helped to set up the Peace Corps in that area. From that experience, I can testify to the importance of the activities and operations of the Inter-American Development Bank.

Even more, Mr. Chairman, I speak to you as one of the most economy-minded Members of this House on my side of the aisle, one who voted against the debt limit increase, who voted against the public works bill yesterday, a bill which carried money for public works construction in my district, and as one who voted for virtually every 5-percent cut which has been offered by the other side of the aisle.

Mr. Chairman, I share a deep concern for the need for economy in the operations of our Government. However, I say to you that it would be a false economy to make the cuts which have been proposed by the gentleman from Tennessee [Mr. BROCK] under his amendment. We would inevitably involve ourselves in a far more costly situation south of the border such as is represented by our operations in Vietnam, and was involved in our military intervention in the Dominican Republic much more costly commitments than this program provides. The proposed amendment would also represent false economy, because if we fail to meet our contribution commitment to the Inter-American Bank, the other nations which have already obligated themselves to increased contributions based on our commitment would undoubtedly reduce their commitments accordingly. We would end up paying more, not less.

Mr. Chairman, the countries of Latin America are important and loyal allies. It was through their recent intervention in the U.N. that Russian attempts to undermine Israel failed.

The Latin America countries today are faced with very real and dangerous threats of Communist subversion. Guerrilla warfare inspired by Communist Cuba is rampant. Far better that we help these countries stand on their own feet and constructively encourage their ability to resist communism than that we should fail in meeting the President's commitment for constructive support and have to finance a much more costly military intervention as the fruits of our failure.

Mr. Chairman, I urge the members of the Committee to vote against the Brock amendment. To do otherwise will have drastic and tragic costly effects on our Latin friends.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. BATTIN].

Mr. BATTIN. Mr. Chairman, it is too bad that after what I thought was a pretty high level discussion, all of a sudden we are told that we cannot propose any cut of the President's program.

Mr. Chairman, I am not interested as some seem to be, in what the newspapers in South America say with reference to the action taken here by the House today. Those newspapers are not running the U.S. Congress.

I am going to be interested in knowing what the people who are now saying that we should not cut this request, and should support the President, will write home to their constituency concerning the President's request for a tax increase. Some support the request for spending and at the same time will not support him when it comes to raising the money with which to run the Government?

It might be a very interesting parallel to watch those who want to spend now, and who do not want to pay later.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HANNA].

Mr. HANNA. Mr. Chairman, I believe the Republican Party is to be commended for the fact that they started this program in 1959 under President Eisenhower when they were facing a $12 billion-plus deficit. They decided in their wisdom at that time that this program was worthy of investment even at a time of stringency. I believe that the worthiness of the investment still prevails.

I would also say this particular amendment is short-sighted in that it does cut down what the Bank will do. The Bank makes loans of from 13 to 30 to 40 years. The needs for money are continuing. The loans that have been made have not been paid back. Unless we continue to support the Bank it will have to stop lending money, until the payments start coming back in, and that will not take care of the needs of Latin America at this time. You know that and I know that.

Agriculture needs fertilizer plants, roads to market, flood control and irrigation yet to be developed if Latin America is to avoid starvation subsistence.

Industry needs electricity from dams and markets that highways will open up.

The people need sewers, water supply, schools, and housing to achieve dignity and a decent standard of living.

These are the kinds of loans we must continue to make.

The continent needs communication links, cooperative efforts in highways, education, health and economic links of common markets and a freer flow of goods, services and labor.

These are the new loans not yet made. That is the reason this amendment is not a good amendment. I hope that the amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. BROWN].

Mr. BROWN of Michigan. Thank you, Mr. Chairman. I support this program. I believe it should be continued at its present funding level. I do not believe we can afford the luxury of the additional money. It seems to me that at a time when the President of the United States is going to cut—at least, those are the rumors that I have heard—that the President intends to cut perhaps 10 or 15 percent of the actual expenditures of the funds which have been appropriated, that the Congress ought in effect to precede him in this desire and maintain the present funding level of this program.

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

Mr. PATMAN. Mr. Chairman, I ask for a vote on the amendment.

PREFERENTIAL MOTION OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. GROSS. Mr. Chairman, this has been an interesting debate. I wonder where in the State of Michigan or in the State of Oklahoma I might be able to find a bank with a soft-loan window from which I could secure a loan for 40 years on which I would pay an interest rate of about 2.5 percent, but with a grace period of 10 years during which I would pay nothing on the principal and only three-quarters of 1 percent as a carrying charge.

I wonder if I might have some help from the Member from Michigan, and the Member from Oklahoma who have spoken so enthusiastically in support of this alleged loan program, and it is not a loan program, because this money will never be repaid.

Is there a bank in Oklahoma with that kind of a window? If so, there are some people in Iowa who would like to borrow some money.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield for the purpose of responding to his inquiry?

Mr. GROSS. Yes; I yield to the gentleman.

Mr. EDMONDSON. I could not guarantee it, but I believe if the gentleman would guarantee that he would move his base of operations to Latin America and be active down there in the next couple of years that we might be able to get him a loan of that kind to finance his Latin American operations.

Mr. GROSS. I suspected that I would probably get an answer about like that.

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

Mr. GROSS. Yes; I yield to the gentleman from Michigan.

Does the gentleman have any banks in Michigan that will make that kind of a loan to a man who wants to build a home? And now that Michigan has urban renewal, northern style, in Detroit, I wonder if the victims of firebombs are going to be able to borrow money for 40 years at 2.5 percent interest to replace the buildings and homes that have been destroyed?

Mr. HARVEY. I believe the gentleman knows the answer to that question, and knows what the commercial rates of interest are. But I believe the gentleman also knows that it is better to receive 2.5 percent interest than to receive nothing. It is not in the form of a grant, the gentleman knows that the loan is made for 2.5 percent.

Mr. GROSS. The gentleman from Iowa knows exactly what it will be; a grant under the guise of a loan. The gentleman from Iowa also knows that the citizens of his State are sick and tired of these deals for foreigners.

Mr. HARVEY. I do not agree that 2.5 percent is a commercial rate of interest, but I say that 2.5 percent is better than nothing.

I do not call 2½ percent a commercial rate of interest, but I say 2½ percent is better than nothing.

Mr. GROSS. Let me ask the gentleman—what is he storing up for the taxpayers in the State of Michigan as well as the taxpayers of Iowa when he supports this program to take their tax dollars and provide financing for Latin Americans that is denied to them?

Does the gentleman know of any place that the Federal Government today can borrow money at less than 4¾ percent? If he does not know of any such place, how in the world can he make this kind of a deal with the Latin Americans?

We hear this program is necessary because of communism, yet the spawning ground for communism in Latin America is on the island of Cuba right off our shores. Why are you so worried about communism in Vietnam and in Latin America when you have it 90 miles off our shores. This very week the Tricontinental Communist Conference, will be held in Cuba.

Who made this possible? First of all, who engineered the fiasco of the Bay of Pigs? Then, later, who made the missile deal by which this Government agreed not to invade Cuba and wipe out this spawning bed of Communism which you say requires these millions of dollars to halt in Latin America? Who is responsible for this? I think it is high time we spend a little time discussing the responsibility for some of the situations that have developed and which are now being used to fritter away millions and billions of our taxpayers' dollars at bargain prices in Latin America.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, it is pretty hard to see history in the making. I have lived it for 39 years. I have lived it under Presidents who were Democrates and Presidents who were Republican.

We are just human beings and it is very difficult to look into the future. But we have to do it—those of us who have the responsibility have to do it.

Whether we make the right judgment or not, future events will determine because from our decision and from our judgment, the law of natural and probable consequences flow. It is difficult to see how they will flow. There are the natural flow of consequences from a decision that is made calling for action—the calculated risks of action, so called.

There are the natural and probable consequences in cases where no decision is made when a decision should have been made. And involved in that decision, there is the calculated risks of inaction.

The countries of South America are our neighbors. We have a good neighbor policy. We have the Alliance of Progress. There are hundreds of millions of people there who are our immediate neighbors. We are the greatest Nation in the world especially when it comes to the cause of freedom.

We are the greatest Nation in the world, the strongest Nation and the paramount Nation in upholding the principles of freedom. That carries with it certain responsibilities.

Of course, it is difficult to see the results of a decision—or, as I have referred to it—the results of a nondecision.

My friend, the gentleman from Iowa, has referred to Cuba. Yes, it disturbs all of us. The gentleman referred to the Bay of Pigs, and that may be a proper matter of discussion, one way or the other, according to one's views, looking at it after the fact. But let us be perfectly frank. I am not criticizing anyone. Castro did not rise during the present administration. There were two of our ambassadors to Cuba who strongly recommended to the Department of State—and it was not under a Democratic President—that Castro was a Communist. This was at a time when certain newspapers of the country and others were playing him up as a great liberator who was going to bring freedom to the people of his country.

I had formed the opinion before the fact that Castro was a Communist. Two of our Ambassadors had testified to that effect before an appropriate committee of the Senate. We are talking about events after the fact. We do things after the fact when men have to make decisions—yes, human beings as we are—before the fact. So if we want to start putting blame here and there, we can always have something to which we can attach blame or praise one way or the other.

This bill is now before us. It means a lot. It means a lot to neighbors of ours to the south. It means a lot to us in our foreign policy. It has an effect upon our foreign policy.

Suppose the amendment to reduce the amount carries. What effect will that action have on countries in South America and the peoples of South America? I am thinking of that. You have got to think of it. I am not criticizing anyone who might disagree, but I see flowing from it conditions that will not be favorable to the national interest or the best interests of our country. It means a renegotiation.

We, of course, would increase our participation, but the South Americans are increasing theirs much more, percentagewise, than we are.

I realize all of the things that my friends say when they pick out elements here and there. I cannot close my eyes to them. But there is a broader picture. There is a big picture. There is a future. There is history in the making.

I remember an occasion when I was attending a very important meeting with former President Eisenhower, my friend. Some of my friends who are here now were present. As I was leaving, we were discussing some matter, and President Eisenhower said, "John, I wish you would help me out." He said it in his usual nice way. This bill that was pending related to foreign affairs. It had a relationship.

I said, "Well, Mr. President, I had hoped I would get out of here before you asked me, because I do not view it with any enthusiasm. But you have asked me, and you are the President of the United States. And I am not going to say 'No' to the President of the United States." I supported the bill.

Whether you agree with my decision then, whether you think I was right or wrong, I felt I was right to respond in that way when the President asked me. I was there with him. I was not going to say "No" to the President of the United States. That happened not so many years ago.

I am confident that the motion to strike out the enacting clause—and I mean no reflection on my friend from Iowa—will be defeated. But I urge defeat of the amendment pending before the committee at this time.

The CHAIRMAN. The question is on the motion of the gentleman from Iowa [Mr. GROSS].

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BROCK].

The question was taken; and on a division (demanded by Mr. BROCK) there were—ayes 97, noes 121.

Mr. BROCK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BROCK and Mr. MULTER.

The Committee again divided, and the tellers reported that there were—ayes 109, noes 138.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. FINO

Mr. FINO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINO: On page 2, line 9, strike "resolution." and insert: "resolution, and subject to the further condition that in consideration of the United States balance of payments deficit any local cost financing, by project or otherwise, with the funds authorized under this section be held to the minimum possible level."

Mr. FINO. Mr. Chairman, I do not expect to take the full 5 minutes in support of this amendment. It is a very

simple but yet a very important amendment.

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

Mr. FINO. Yes, I shall be very happy to yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, I have asked the gentleman from New York to yield to me at this point in order that I may yield to the distinguished gentleman from Wisconsin [Mr. REUSS].

Mr. FINO. I am very happy to yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Chairman, I commend the gentleman from New York [Mr. FINO] for what I feel represents a very constructive amendment which the gentleman is now in the act of explaining. It has been worked out with the gentleman from New York and with the gentleman from New Jersey [Mr. WIDNALL]. It is acceptable to all parties concerned. It has been discussed on this side of the aisle with the members of the committee and I would say right now that it is perfectly obvious on this side of the aisle that we will accept it.

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

Mr. FINO. I am happy to yield to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Does the gentleman have any idea as to what the Latin Americans will say in their newspapers tomorrow about the adoption if this amendment is adopted?

Mr. FINO. I do not think they would be too happy about it. But at the same time I think it is a very constructive amendment.

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

Mr. FINO. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, I appreciate the desire of the members of the Committee of the Whole House on the State of the Union to proceed forthwith here in this matter, but some of us do not know about this arrangement that has been worked out between the members of the Committee on Banking and Currency and would like to know what the amendment proposes to do.

Mr. FINO. Well, Mr. Chairman, I will say to the gentleman from Louisiana, as I indicated earlier, it is a very simple amendment, but yet an important one. The purpose of it is to give statutory recognition to our adverse balance-of-payments position and to provide that the funds we provide hereunder be utilized so as to minimize the adverse balance-of-payments impact.

Mr. Chairman, the amendment, if adopted, would require the payments for local costs be held to the minimum possible level.

Mr. Chairman, in view of our continuing balance-of-payments deficit and the added exchange leakage due to the Vietnam war, this amendment becomes a must.

So, what it merely does is to make it somewhat mandatory upon these recipient countries to minimize their local costs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FINO].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SELDEN

Mr. SELDEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SELDEN: Delete lines 4 and 5 on page 1 and insert in lieu thereof: "283–283k) is amended by renumbering section 14 thereof to section 15 and by adding a new section 14, as follows:

"Audit

"The Secretary of the Treasury shall instruct the United States Executive Director to propose the establishment by the Board of Executive Directors of a program of selective but continuing independent and comprehensive audit of the Inter-American Development Bank, in accordance with such terms of reference as the Board of Executive Directors itself (or through a subcommittee), may prescribe. Such proposal shall provide that the audit reports be submitted to the Board of Executive Directors and to the Board of Governors.

"The Comptroller General of the United States shall prepare for the Secretary of the Treasury the scope of the audit and the auditing and reporting standards for the use of the United States Executive Director in assisting in the formulation of the terms of reference.

"The reports of the National Advisory Council on International Monetary and Financial Policies to the Congress shall include, among other things, an appraisal of the effectiveness of the implementation and administration of the loans made by the Bank based upon the audit reports. The Comptroller General shall periodically review the reports of audit and findings issued and report to the Secretary of the Treasury and the Congress any suggestions he might have in improving the scope of the audit or auditing and reporting standards of the independent auditing firm, group or staff."

Immediately preceding line 6, page 1, insert the following:

"SEC. 2. The Inter-American Development Bank Act is further amended by adding a new section 16 at the end thereof:",

In line 6, page 1, substitute "SEC. 16" for "SEC. 15."

Mr. SELDEN. Mr. Chairman, since its inception under the administration of President Eisenhower, I have supported the Inter-American Development Bank, and I do so again today. I believe that the Inter-American Development Bank has played a beneficial role in Latin America, and I feel that the withdrawal or reduction of our support from this institution at this time would not be in the long-range best interest of either Latin America or the United States. At the same time, however, I would be the first to suggest that the administration of this institution, or any other international institution, for that matter, is not perfect. As a matter of fact, a visit to several Latin American countries last fall by our colleague, the Honorable WILLIAM MAILLIARD, and myself, convinced both of us that the administration of some of the loans made from the Social Progress Trust Fund administered by the Inter-American Development Bank could be improved. Our report on this study mission, House Report 219, dated May 1, 1967, recommended among other things that this trust fund, which is 100-percent contributed by the United States, and is administered under an agreement with the Inter-American Development Bank, be fully reviewed by the U.S. General Accounting Office. I have been informed, however, that since this is an international agency, and there is no provision under the trust agreement for such an audit, the books and records of the bank directly related to the Social Progress Trust Fund are not available to the U.S. General Accounting Office.

Therefore, Mr. Chairman, I am submitting for consideration of the House today a proposed amendment to the bill H.R. 9547, which would, through the Secretary of the Treasury, direct the U.S. Executive Director of the Inter-American Development Bank to propose the establishment by the Board of Directors of that Bank of an independent and comprehensive audit program similar to the audits made by the Comptroller General of the activities of the U.S. Government.

Mr. Chairman, while I remain of the view that the Comptroller General should have the authority to review for the Congress the operations and administration of the Social Progress Trust Fund, I recognize that an independent review by this agency of any member government might well cause serious misunderstandings and unnecessary resentment among the Bank's other members.

I feel that the amendment I am proposing will accomplish without these complications, and in a manner that should be acceptable to the bank's members, a review of the operations which I believe is necessary to the efficient conduct of any institution's activities.

The Secretary of the Treasury has informed me that, through the U.S. Executive Director, he will diligently seek to have established the proposed method of obtaining an objective and independent review and appraisal of the effectiveness of the implementation and administration of the loans made by the bank not only for the benefit of the United States, but for that of the other members of the bank as well.

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

Mr. SELDEN. I shall be happy to yield to the chairman.

Mr. PATMAN. I would ask the gentleman is it not true that this amendment has been worked out by the gentleman with both the majority and minority members of the Committee on Banking and Currency of the House?

Mr. SELDEN. I have consulted with the gentleman from Wisconsin [Mr. REUSS], and he has assured me that he has consulted with the other members of the committee in connection with this amendment.

Mr. PATMAN. It is my understanding that it is acceptable to our side, and we have no objection to it on this side.

Mr. SELDEN. I thank the gentleman for his endorsement of the amendment.

Let me say in closing, Mr. Chairman, that I am convinced that one of the features of democracy that has helped to maintain the Government of the United States since its founding is the requirement that the actions of the executive branch be independently and objectively reviewed, either by the Congress or by the public, so that impetus can be given to make needed improvements.

In my view there is nothing that contributes more to the laxity of the administration of the funds of others, or to mistaken suspicions regarding such administration, than the knowledge that owners do not have full information concerning the quality of administration.

Because this proposal includes an analysis of the efficiency of loan implementation, it seems to me that it would be of vital importance to those who are borrowing and must repay, and I hope, therefore, that the other member countries of the Bank will join in supporting this proposal.

Mr. MULTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I commend the gentleman from Alabama [Mr. SELDEN], for offering this amendment and join him in urging its acceptance. It will serve a very useful purpose.

At the same time, I am sure the gentleman will agree that despite some loose talk, the Bank officials have done a remarkably good job. Their refusal to open their books even to Members of Congress, is in accordance with the laws of all of the countries that participated in the organization of the Bank and, in accordance with international law, as well as the charter of the Bank. The Bank officials have acted in good faith. They have made available to our representatives on the Bank every last bit of information they have ever asked for. Their reports have been full and complete.

The American representatives on the Bank are always available to answer any and all congressional inquiries.

This amendment will now authorize the congressional representative, the Comptroller General of the United States, to assist us in getting all the information we should have and in analyzing it for us.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not sure that the Members of the House got the full import of what the gentleman from Alabama [Mr. SELDEN] was saying. Do the Members realize that there is a half a billion dollars of American money—no Latin American money of any kind in it—under this Social Progress Trust Fund being administered by the Inter-American Bank, and the Inter-American Bank is telling the General Accounting Office, "We will not tell you what we did with it. It is none of your business"?

Now how do you like that for international bureaucratic arrogance?

What does the amendment of the gentleman do, and I am going to support it. What does it do? It says that we are going to humbly ask these fellows to pick their own auditors to audit what they are doing with our money and then let us look at the auditors' report.

Now I heard a lot of sanctimonious arguments around here about a few thousand dollars that Mr. POWELL spent in extracurricular activities. But nobody seems to get very excited about a half billion U.S. dollars being administered in a large part—and I say in large part because the directors of this in large part are not American—but as I say, being administered in a large part by foreigners who say arrogantly to the General Accounting Office, "To hell with you. We will not tell you what we do with your money."

I supported the Inter-American Development Bank and I have voted for foreign aid for 18 years, but I am getting a little fed up with this type of bureaucracy—whether it be international or the downtown bureaucracy of our own.

The only criticism I have of the gentleman's amendment is that it does not say—"Unless the GAO can audit it, we will take the administration of the fund away from you." That is what the amendment ought to say and I thought the House ought to know just what this great organization is doing and how arrogant they are about letting us know what they are doing with our money.

I hope a little stronger amendment will come out of this some day which says, "Yes, we will know what you are doing with the United States taxpayers' money—and you will tell us."

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

Mr. HAYS. I yield to the gentleman.

Mr. GROSS. I was in hopes that the amendment would provide for more expeditious reporting to the Congress of such proposals as use of our money for the buying of French supersonic fighter planes on the part of the Government of Peru.

Mr. HAYS. If the gentleman will let me say this, I propose to offer an amendment and I hope that all of you will be here when the foreign aid bill comes up, which amendment would prohibit any country in Latin America that acquires supersonic planes after the date of enactment of the act from participating in any grant, loan or anything else from the United States. Because if Peru gets supersonic planes, the only people they can use them against is some other Latin American country. I do not think we ought to be giving them the money. That is what they propose—that we give them $160 million to buy planes from France, the president of which country is over here in North America right now trying to stir up revolution. If the House of Representatives does not accept my amendment, then I would say we are contributing to international delinquency. However, I cannot offer my amendment to the pending bill, but I will offer it to the foreign aid bill when that bill is taken up.

Mr. GROSS. There was also the case of Argentina, to which Government we made a line of credit available a few years ago. That Government promptly went out and bought millions of dollars worth of gold.

Then there is Brazil's purchase of 83 or 87 locomotives from Communist East Germany after this Government made credit available to that country.

Mr. HAYS. I would say to these people, you have to make a determination whether you are going to have supersonic planes that the military jet set can use to play around with or are you going to do something to raise the standard of living of your people and to stave off revolution.

I think it is just as simple as that. I think it is high time that we adopt the Selden amendment or even a stricter one, because really all it does is say, "Please let us look at your books."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. SELDEN].

The amendment was agreed to.

Mr. WIDNALL. Mr. Chairman, I move to strike out the requisite number of words.

There are two major areas of assistance in which we are presently deeply committed in Latin America. We have had a pretty clear understanding of the role we have had in supporting the Inter-American Development Bank and the purposes of that major commitment. Our commitment has been urged and advanced on the stated serious needs of the underdeveloped countries to meet many vital requirements of their peoples.

We have been shocked to hear very recently testimony as to the large commitments by the Export-Import Bank made for heavy sophisticated arms sales to these same impoverished countries whose citizens must be helped with housing, food, and the relevant programs.

The Congress should take a good look at the extent to which economic help has released the Latin American governments of obligations to their people and made possible the purchase of arms. The two programs are related no matter what some people in the Congress try to do to divorce them. The gentleman from Ohio [Mr. HAYS] made some pertinent comments on this subject just prior to my coming to the well of the House.

Earlier today I circulated a letter among my colleagues calling attention to these things and saying at the conclusion of today's debate on the Inter-American Development Bank bill I would ask that the bill be recommitted to the Committee on Banking and Currency with the clear understanding that the House will reconsider the legislation after the appropriate committees have had an opportunity to look in the accelerating arms sales program.

I have been told that your support of a straight recommittal motion would not jeopardize the program but it might slow down the dangers of an arms race in Latin America.

However, I have decided not to offer this recommittal motion, after talking with many Members of the House and finding that they do not fully understand what I am trying to get across. They fear their vote for such a recommittal motion would be completely misunderstood by constituents and possibly by the press. Therefore, I am deferring the recommittal motion, and another member of the committee will offer a motion to recommit.

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

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

Mr. MULTER. I thank the gentleman. I think the gentleman can join with me in saying that there is going to be ample opportunity to review all these matters which have given so many of us cause to stop and reflect on whether or not this program can be improved and

whether or not the foreign aid program can be improved. The Appropriations Committee will get an opportunity to look at this question again and develop facts that we may not have done in our committee. The Foreign Affairs Committee will have further opportunity to develop other facts, and other committees of the Congress will do likewise. There will be ample opportunity to develop the full story without impairing or impeding this program.

Mr. WIDNALL. I should like to answer the gentleman by saying that we have had ample opportunity in the past. We have not done it. These two programs are running side by side now, and it is time the administration should make a firm decision as to how they want to go: if they want to improve an underdeveloped country or if they wish to give heavy arms aid.

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

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

Mr. ASHLEY. I wish to commend the gentleman on his very good judgment in this matter. It does not surprise me, having served on the committee with the gentleman for 14 years. I have the highest regard for his good judgment. I do want to say the gentleman has my complete support in urging and bringing about the kind of review with respect to our arms sales that he has expressed anxiety about.

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

Mr. WIDNALL. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Chairman, I appreciate the gentleman's action. I am deeply grateful for it.

I am also indebted to the gentlemen on the other side of the aisle who have given firm assurances to the gentleman from New Jersey that there will be a full investigation of the matters in which the gentleman from New Jersey is deeply interested. I think the comments and commitments made by them are most helpful. I say again, I appreciate the decision of the gentleman from New Jersey.

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

Mr. WIDNALL. Mr. Chairman, I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to congratulate the gentleman from New Jersey [Mr. WIDNALL] for his statesman like action in withdrawing this motion, and for his worthwhile inquiry into our arms sales to underdeveloped countries. I thoroughly support the gentleman's initiative in questioning our arms sales through Export-Import Bank loans and otherwise. I look forward to joining him in this quest.

It would have been a grave mistake, however, to impair this worthwhile legislation for the Inter-American Bank because of the unrelated arms sales issue. I am glad the gentleman withdrew this motion.

Mr. BROCK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do this just to take a couple of minutes to explain briefly the motion to recommit, which will contain my amendment to maintain the program at its current level of $750 million, instead of increasing it to $900 million.

Before I yield back the balance of my time, I would like to say I fully intended to support the gentleman from New Jersey in his effort to recommit, simply to force a review of these covert arms sales to Latin American countries. I believe this is a critical area, and Congress needs to devote immediate attention to it.

Since the gentleman has decided not to offer that motion, I will offer my motion, I will offer my motion to maintain the program at the current level of $750 million a year rather than the proposed $900 million.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am perhaps one of the few men in the Chamber at this point who has not made a decision about what he is going to do when we finally vote on this legislation. I have only one concern and that is the long term interest of the United States and a free enterprise system. I would like to ask a question or two of any Member of the Committee on either side.

It is my understanding that the Inter-American Development Bank has two windows. We have the ordinary capital fund window, which I understand is aimed primarily at the development of private industry in Latin America. Then we have the fund for special operations, which now administers the Social Progress Trust Fund. It is further my understanding that this $900 million which we propose to commit to the Inter-American Development Bank today will all be allocated to the window which has the Social Progress Trust Fund administration now. Am I correct in these assumptions as I have expressed them?

Mr. REUSS. Mr. Chairman, if the gentleman will yield for a response, there is one thing I will have to inform the gentleman. He says $900 is going to be put into the Bank. The amount is $900 million. Beyond that, the gentleman is correct. It will all go into the Fund for Special Operations. Indeed, that is the only soft-loan window that is now open, since the Social Progress Trust Fund has been exhausted.

Incidentally, the Social Progress Trust Fund was a 100 percent U.S. contribution. The fund for special operations will be a 3 to 1, that is, $3 United States to $1 Latin American contribution.

Mr. WAGGONNER. The report expresses in some detail the accomplishments which are expected from these expenditures from this Fund for Special Operations window which has control over the Social Progress Trust Fund operations, to which this $900 million go. We are talking about improving farmland. We are talking about improving 45 industrial plants which will be expanded. We are talking about building transmission lines for electricity. We are talking about highways and water supply systems and sewage supply systems and housing. Can the gentleman tell me whether or not all of these are considered to be in the nature of Government-owned public projects, including the 45 private business expansions referred to?

Mr. REUSS. The gentleman will be interested in knowing that the maximum possible part of the contributions of the Inter-American Development Bank will go to aid to private sectors. Those 45 industrial plants, for example, are private enterprise industrial plants.

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

Mr. WAGGONNER. I yield to the genman from Montana.

Mr. BATTIN. I believe we have to consider these questions—and they are pertinent questions—in the perspective of what the House did yesterday in voting down an additional $250 million for clean water in the United States. The gentleman remembers the amendment offered by the gentleman from New Jersey [Mr. HOWARD]. This House said this country would wait on its own problem. I wonder how now we are going to justify an additional $250 million or thereabouts for this program, when in our own country we say, "No, we have to wait awhile."

Mr. WAGGONNER. I raise this question because a great deal has been said, and I believe sincerely put forth today, that this legislation proposes to strengthen free governments in Latin America.

Certainly no one can quarrel with that position, but I raise the question: Are we strengthening free enterprise when we make this $900 million special fund contribution primarily to public agencies rather than to private enterprise? Are we not promoting government ownership? Are we not putting the cart before the horse? Should we not provide this money for the expansion of the private sector of the economy and then let the private sector generate the impetus to finance through taxes paid on earnings the public ownership needs of government? Are we not doing things for these people we do not do for our own?

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

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

Mr. REUSS. Let me say to the gentleman that the strengthening of free enterprise is a prime goal of the Bank's operation. While in the first instance some of these loans do go to the governments, in very many cases they are then reloaned by the government to private enterprises to build small factories, to build retail establishments, to promote agriculture and irrigation works. The entire emphasis is to give the small enterprise a chance.

Mr. WAGGONNER. I am not an isolationist. I know we cannot live alone. I am concerned very much about the future for example of this country in respect to oil. I do not know whether the Members of the House realize it or not but we are a nation of have nots for the first time and the facts are that 43 percent of the free world oil production today comes from the Middle East. We know the crisis there. We know the crisis primarily has to do with oil. We know the Communists fomented this crisis.

We know as well that 73½ percent of

the known free world oil reserves lie in the Middle East. American oil interests have been supplying Europe its oil from the Middle East. Sure we have oil at home but if we lose the Mideast other than the continental limits of the United States, we must depend primarily upon Latin America for oil. We have a situation in Latin America now, in Peru.

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

(By unanimous consent, Mr. WAGGONNER was allowed to proceed for 2 additional minutes.)

Mr. WAGGONNER. Mr. Chairman, there is an instance in Peru of a private American corporation having bought from the British, in about 1922 or 1923, an oil field there. The government of that country, by action of both legislative bodies of the Government of Peru, has taken action to confiscate and take this property from this American industry, and in so doing they have said that still their demands have not been satisfied by confiscating the oil field and refineries and the related other industries to this particular oil field and this particular company. They not only want that, but they also want further compensation, because they say that Americans and the American oil industry have been overcompensated since they have had this oil field under ownership since 1922 or 1923.

How do we Americans compensate for that sort of thing? Our people with investments there need protection.

Mr. REUSS. The North Americans, we of the United States, compensate, under our Constitution, with full and complete payment.

I happen to be familiar with the situation in Peru, and I have discussed it at some length with its brilliant President, Mr. Belaunde Terry, a few months ago.

I can say to the gentleman that the Government of Peru has been doing its level best to look out for the interests of all people including the American oil company in Peru. It is under pressure from leftist groups in its own country, but I do not believe it is true today that the Government of Peru is about to confiscate that company without fair compensation.

Mr. WAGGONNER. I think it is exactly true, that they already have taken legislative action.

Mr. REUSS. Well, I do not think they would confiscate without fair compensation.

Mr. WAGGONNER. There has been no compensation. They have demanded further payment from this American industry and from this particular American company. Are these people to use our money now? I know this hemisphere must survive communism if it is not already too late.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 9547) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, and for other purposes, pursuant to House Resolution 748, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT

Mr. BROCK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BROCK. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BROCK moves to recommit the bill H.R. 9547 to the Committee on Banking and Currency with instruction to report the same back to the House forthwith with the following amendment: On page 2, strike lines 4 through 7, and insert: "Board of Governors of the Bank, and in favor of any amendment thereto or substitute therefor the effect of which would be to fix the share payable by the United States at $750,000,000. Upon the adoption of such a resolution, the United States Governor is authorized to agree, on behalf of the United States, to pay $750,000,000 to the Fund for Special Operations of the Bank, in accord-".

On page 2, line 17, strike "$900,000,000" and insert "$750,000,000".

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 185, nays 217, not voting 30, as follows:

[Roll No. 186]

YEAS—185

Abbitt	Burton, Utah	Findley
Abernethy	Button	Fino
Adair	Byrnes, Wis.	Ford, Gerald R.
Anderson, Ill.	Cahill	Fountain
Andrews, N. Dak.	Carter	Fulton, Pa.
Arends	Cederberg	Fuqua
Ashbrook	Chamberlain	Goodell
Ashmore	Clancy	Goodling
Ayres	Clausen, Don H.	Gross
Baring	Clawson, Del	Grover
Bates	Cleveland	Gubser
Battin	Collier	Gude
Belcher	Colmer	Gurney
Bell	Conable	Hagan
Berry	Corbett	Haley
Betts	Cunningham	Hall
Blackburn	Curtis	Halleck
Bolton	Davis, Wis.	Hammer-schmidt
Bow	Dellenback	Hansen, Idaho
Bray	Denney	Harrison
Brinkley	Derwinski	Harsha
Brock	Devine	Heckler, Mass.
Brotzman	Dickinson	Henderson
Brown, Mich.	Dorn	Horton
Brown, Ohio	Dowdy	Hosmer
Broyhill, N.C.	Duncan	Hutchinson
Broyhill, Va.	Dwyer	Ichord
Buchanan	Eshleman	Jarman
Johnson, Pa.	Mosher	Smith, N.Y.
Jonas	Myers	Smith, Okla.
Jones, N.C.	Nelsen	Snyder
Keith	O'Neal, Ga.	Springer
King, N.Y.	Passman	Stafford
Kleppe	Pelly	Stanton
Kuykendall	Pettis	Steiger, Ariz.
Kyl	Pike	Stuckey
Laird	Pirnie	Talcott
Langen	Poff	Taylor
Latta	Pollock	Teague, Calif.
Lennon	Price, Tex.	Teague, Tex.
Lipscomb	Quillen	Thompson, Ga.
Lloyd	Railsback	Thomson, Wis.
Long, La.	Randall	Tuck
Lukens	Rarick	Utt
McClory	Reid, Ill.	Vander Jagt
McClure	Reifel	Waggonner
McCulloch	Reinecke	Wampler
McDade	Riegle	Watkins
McDonald, Mich.	Roth	Watson
	Roudebush	Whalley
MacGregor	Sandman	Whitten
Marsh	Satterfield	Wiggins
Martin	Saylor	Williams, Pa.
Mathias, Calif.	Schadeberg	Wilson, Bob
May	Scherle	Winn
Mayne	Schneebeli	Wolff
Meskill	Schweiker	Wyatt
Michel	Schwengel	Wydler
Miller, Ohio	Scott	Wylie
Montgomery	Shriver	Wyman
Moore	Skubitz	Zion
Morton	Smith, Calif.	Zwach

NAYS—217

Adams	Garmatz	Moss
Addabbo	Gathings	Multer
Albert	Gettys	Murphy, N.Y.
Anderson, Tenn.	Giaimo	Natcher
	Gibbons	Nedzi
Annunzio	Gilbert	Nichols
Ashley	Gonzalez	Nix
Aspinall	Gray	O'Hara, Ill.
Barrett	Green, Oreg.	O'Hara, Mich.
Bennett	Green, Pa.	O'Konski
Bevill	Griffiths	Olsen
Biester	Halpern	O'Neill, Mass.
Bingham	Hamilton	Ottinger
Blanton	Hanley	Patman
Blatnik	Hanna	Patten
Boggs	Hansen, Wash.	Perkins
Boland	Hardy	Philbin
Bolling	Harvey	Pickle
Brademas	Hathaway	Poage
Brasco	Hawkins	Pool
Brooks	Hays	Price, Ill.
Burke, Mass.	Hébert	Pryor
Burleson	Hechler, W. Va.	Pucinski
Burton, Calif.	Helstoski	Purcell
Bush	Hicks	Quie
Byrne, Pa.	Holifield	Rees
Cabell	Holland	Reid, N.Y.
Carey	Howard	Resnick
Casey	Hull	Reuss
Celler	Hungate	Rhodes, Pa.
Clark	Irwin	Rivers
Cohelan	Jacobs	Roberts
Conte	Joelson	Robison
Corman	Johnson, Calif.	Rodino
Cowger	Jones, Ala.	Rogers, Colo.
Culver	Karsten	Rogers, Fla.
Daddario	Kastenmeier	Ronan
Daniels	Kazen	Rooney, N.Y.
Davis, Ga.	Kee	Rooney, Pa.
Dawson	Kelly	Rosenthal
Delaney	King, Calif.	Rostenkowski
Dent	Kirwan	Roush
Diggs	Kluczynski	Roybal
Dingell	Kornegay	Rumsfeld
Donohue	Kupferman	Ruppe
Dow	Kyros	Ryan
Downing	Landrum	St Germain
Dulski	Leggett	St. Onge
Eckhardt	Long, Md.	Selden
Edmondson	McCarthy	Shipley
Edwards, Calif.	McFall	Sikes
Edwards, La.	McMillan	Slack
Eilberg	Macdonald, Mass.	Smith, Iowa
Erlenborn		Staggers
Evans, Colo.	Machen	Steed
Everett	Madden	Steiger, Wis.
Evins, Tenn.	Mahon	Stephens
Fallon	Mailliard	Stratton
Fascell	Mathias, Md.	Stubblefield
Feighan	Matsunaga	Sullivan
Flood	Meeds	Tenzer
Flynt	Miller, Calif.	Thompson, N.J.
Ford, William D.	Minish	Tiernan
	Mink	Tunney
Frelinghuysen	Mize	Udall
Friedel	Monagan	Ullman
Fulton, Tenn.	Moorhead	Van Deerlin
Galifianakis	Morgan	Vanik
Gallagher	Morris, N. Mex.	Vigorito

Waldie
Walker
Watts
Whalen
White
Whitener
Widnall
Willis
Wilson, Charles H.
Wright
Yates
Young
Zablocki

NOT VOTING—30

Andrews, Ala.
Broomfield
Brown, Calif.
Burke, Fla.
Conyers
Cramer
de la Garza
Dole
Edwards, Ala.
Esch
Farbstein
Fisher
Foley
Fraser
Gardner
Herlong
Hunt
Jones, Mo.
Karth
McEwen
Mills
Minshall
Morse, Mass.
Murphy, Ill.
Pepper
Rhodes, Ariz.
Scheuer
Sisk
Taft
Williams, Miss.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Florida for, with Mr. Morse of Massachusetts against.

Mr. Esch for, with Mr. Murphy of Illinois against.

Mr. McEwen for, with Mr. Farbstein against.

Mr. Hunt for, with Mr. Sisk against.

Mr. Rhodes of Arizona for, with Mr. Scheuer against.

Mr. Williams of Mississippi for, with Mr. Conyers against.

Until further notice:

Mr. Andrews of Alabama with Mr. Minshall.

Mr. Brown of California with Mr. Taft.

Mr. Pepper with Mr. Dole.

Mr. Karth with Mr. Cramer.

Mr. de la Garza with Mr. Bloomfield.

Mr. Foley with Mr. Edwards of Alabama.

Mr. Mills with Mr. Gardner.

Mr. Herlong with Mr. Fraser.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. ARENDS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 275, nays 122, answered "present" 1, not voting 34, as follows:

[Roll No. 187]

YEAS—275

Adams
Addabbo
Albert
Anderson, Tenn.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspinall
Ayres
Barrett
Bates
Bell
Bennett
Bevill
Biester
Bingham
Blackburn
Blanton
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Brooks
Brotzman
Brown, Mich.
Brown, Ohio
Burke, Mass.
Burton, Calif.
Bush
Button
Byrne, Pa.
Cabell
Cahill
Carey
Casey
Celler
Clark
Cohelan
Conable
Conte
Corbett
Corman
Cowger
Culver
Daddario
Daniels
Davis, Ga.
Dawson
Delaney
Dellenback
Dent
Diggs
Dingell
Donohue
Dorn
Dow
Downing
Dulski
Dwyer
Eckhardt
Edmondson
Edwards, Calif.
Edwards, La.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Everett
Evins, Tenn.
Fallon
Fascell
Feighan
Findley
Fino
Flood
Flynt
Foley
Ford, William D.
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Garmatz
Gathings
Gettys
Giaimo
Gibbons
Gilbert
Gonzalez
Goodell
Gray
Green, Oreg.
Green, Pa
Griffiths
Grover
Gude
Halpern
Hamilton
Hammer-schmidt
Hanley
Hanna
Hansen, Wash.
Hardy
Harvey
Hathaway
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Holifield
Holland
Horton
Hosmer
Hull
Hungate
Irwin
Jacobs
Joelson
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Karsten
Kazen
Kee
Keith
Kelly
King, Calif.
Kirwan
Kluczynski
Kornegay
Kupferman
Kyros
Laird
Landrum
Leggett
Lloyd
Long, Md.
McCarthy
McDade
McDonald, Mich.
McFall
McMillan
Macdonald, Mass.
MacGregor
Machen
Madden
Mahon
Mailliard
Marsh
Mathias, Calif.
Mathias, Md.
Matsunaga
Mayne
Meeds
Miller, Calif.
Minish
Mink
Mize
Monagan
Moorhead
Morgan
Morris, N. Mex.
Morton
Mosher
Moss
Multer
Murphy, N.Y.
Natcher
Nedzi
Nichols
Nix
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neill, Mass.
Ottinger
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Pike
Pirnie
Poage
Poff
Pollock
Pool
Price, Ill.
Pryor
Pucinski
Quie
Railsback
Rees
Reid, N.Y.
Resnick
Reuss
Rhodes, Pa.
Rivers
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Ronan
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roth
Roush
Roybal
Rumsfeld
Ruppe
Ryan
St Germain
St. Onge
Satterfield
Schweiker
Schwengel
Selden
Shipley
Sikes
Slack
Smith, Iowa
Springer
Stafford
Staggers
Stanton
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Tenzer
Thompson, N.J.
Tiernan
Tunney
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waldie
Walker
Watts
Whalen
White
Whitener
Whitten
Widnall
Willis
Wilson, Charles H.
Wolff
Wright
Wydler
Yates
Young
Zablocki
Zwach

NAYS—122

Abbitt
Abernethy
Adair
Anderson, Ill.
Ashbrook
Ashmore
Baring
Battin
Belcher
Berry
Betts
Bolton
Bow
Bray
Brinkley
Brock
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burleson
Burton, Utah
Byrnes, Wis.
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collier
Colmer
Cunningham
Curtis
Davis, Wis.
Denney
Devine
Dickinson
Dowdy
Duncan
Fountain
Goodling
Gross
Gubser
Gurney
Hagan
Haley
Hall
Halleck
Hansen, Idaho
Harrison
Harsha
Hutchinson
Ichord
Jarman
Jonas
King, N.Y.
Kleppe
Kuykendall
Kyl
Langen
Latta
Lennon
Lipscomb
Long, La.
Lukens
McClory
McClure
McCulloch
Martin
May
Meskill
Michel
Miller, Ohio
Montgomery
Moore
Myers
Nelsen
O'Neal, Ga.
Passman
Pelly
Pettis
Price, Tex.
Quillen
Randall
Rarick
Reid, Ill.
Reifel
Reinecke
Riegle
Roberts
Roudebush
Sandman
Saylor
Schadeberg
Scherle
Schneebeli
Scott
Shriver
Skubitz
Smith, Calif.
Smith, Okla.
Snyder
Stuckey
Talcott
Teague, Calif.
Teague, Tex.
Thompson, Ga.
Thomson, Wis.
Tuck
Utt
Waggonner
Wampler
Watkins
Watson
Whalley
Wiggins
Williams, Pa.
Wilson, Bob
Winn
Wyatt
Wylie
Wyman
Zion

ANSWERED "PRESENT"—1

Chamberlain

NOT VOTING—34

Andrews, Ala.
Broomfield
Brown, Calif.
Burke, Fla.
Conyers
Cramer
de la Garza
Derwinski
Dole
Edwards, Ala.
Esch
Farbstein
Fisher
Ford, Gerald R.
Fraser
Gardner
Herlong
Howard
Hunt
Jones, Mo.
Karth
Kastenmeier
McEwen
Mills
Minshall
Morse, Mass.
Murphy, Ill.
Purcell
Rhodes, Ariz.
Scheuer
Sisk
Smith, N.Y.
Taft
Williams, Miss.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Conyers for, with Mr. Chamberlain against.

Mr. Morse of Massachusetts for, with Mr. Burke of Florida against.

Mr. Broomfield for, with Mr. McEwen against.

Until further notice:

Mr. Murphy of Illinois with Mr. Derwinski.

Mr. Howard with Mr. Rhodes of Arizona.

Mr. Brown of California with Mr. Taft.

Mr. Farbstein with Mr. Hunt.

Mr. Mills with Mr. Gerald R. Ford.

Mr. Andrews of Alabama with Mr. Dole.

Mr. Kastenmeier with Mr. Edwards of Alabama.

Mr. de la Garza with Mr. Esch.

Mr. Sisk with Mr. Minshall.

Mr. Williams of Mississippi with Mr. Gardner.

Mr. Scheuer with Mr. Cramer.

Mr. Karth with Mr. Purcell.

Mr. Fraser with Mr. Herlong.

Mr. CHAMBERLAIN. Mr. Speaker, I have a live pair with the gentleman from Michigan [Mr. CONYERS]. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 11089, ADDITIONAL GROUP LIFE AND ACCIDENT INSURANCE FOR FEDERAL EMPLOYEES (H. REPT. NO. 513)

Mr. DANIELS submitted a conference report and statement on the bill (H.R. 11089) to amend title 5, United States Code, to provide additional group life insurance and accidental death and dismemberment insurance for Federal employees, and to strengthen the financial condition of the employees' life insurance fund.

AUTHORIZING THE CLERK TO INSERT NECESSARY PUNCTUATION AND CORRECTIONS IN THE BILL H.R. 9547, INTER-AMERICAN DEVELOPMENT BANK ACT AMENDMENTS OF 1967

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Clerk may correct punctuation and correct numbers and insert the necessary sections in the bill (H.R. 9547), just passed by the House.

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

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members

may have 5 legislative days in which to extend their remarks on the bill just passed and to include relevant extraneous matter.

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

There was no objection.

CONSUMER CREDIT PROTECTION ACT COSPONSORED BY 17 HOUSE MEMBERS

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter on the Consumer Credit Protection Act.

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

There was no objection.

Mr. MULTER. Mr. Speaker, I am happy to announce that today I am introducing as a cosponsor, along with the following Members of the House, Messrs. BARRETT, RODINO, REUSS, FARBSTEIN, PUCINSKI, RYAN, ST GERMAIN, ROSENTHAL, LEGGETT, MATSUNAGA, HOWARD, and Mrs. MINK, and Messrs. RESNICK, SCHEUER, VIGORITO, and BRASCO, the Consumer Credit Protection Act. This bill incorporates the truth-in-lending legislation sponsored for many years by that honorable champion of consumer rights, Paul Douglas, Senator from Illinois.

The truth-in-lending provisions of our bill incorporate many of the technical language changes adopted by the Senate and includes specifically the use of "annual percentage rate" instead of a "simple annual rate." However, unlike the Senate bill, this bill will be applicable to revolving credit and first mortgage real estate credit. Furthermore, this bill would apply the disclosure requirement of truth-in-lending to credit advertising, a vital link in the chain of consumer protection.

It is a companion bill to the bill introduced by Congressman SULLIVAN on July 20, 1967, on behalf of herself and other members of the Consumer Affairs Subcommittee of the House Banking and Currency Committee, of which she is chairman.

The Consumer Credit Protection Act that I am introducing today would cover the following areas of consumer protection in the use of credit:

First. Require full disclosure of all finance charges in terms of annual percentage rates in connection with credit transactions and in credit advertisement.

Second. Establish a maximum finance charge of 18 percent in the extension of credit "to a natural person," without disturbing State laws which provide for lower rates.

Third. Prohibit the use of confessions of judgment in connection with consumer credit transactions.

Fourth. Prohibit the garnishment of wages to satisfy debts.

Fifth. Provide standby powers to restrict or control the use of credit during a national emergency proclaimed by the President.

Sixth. Provide the Federal Reserve Board with powers to set margin requirements in connection with trading in commodity future contracts similar to the authority it now has in setting margins for credit transactions on stock exchanges.

Seventh. Create a National Commission on Consumer Finance to investigate all aspects of the consumer finance industry and report to the Congress and the President by December 31, 1969.

As may be seen from this brief summary of this legislation, it contains provisions about which honorable men may disagree. Not all of the cosponsors agree with every provision of this comprehensive bill. However, all of us are concerned with the underlying problems that this legislation would hope to cure and all of us are anxious to see hearings conducted fully revealing the needs for appropriate legislation. I am certain that the bill that is reported by the House Banking and Currency Committee will be molded and shaped by the facts as they are presented. If those hearings dictate the necessity of change in the legislation, I will certainly be among those supporting such change.

Our purpose in introducing this legislation is to provide greater protection for the consumer in the conduct of his credit transactions. We are intent in seeing that this is accomplished in the current session of the Congress.

For the convenience of the Members, I set forth a summary of this legislation as follows:

SUMMARY OF THE PROPOSED CONSUMER CREDIT PROTECTION ACT

TITLE I—CREDIT TRANSACTIONS

Disclosure

This title provides for the full disclosure of the terms and conditions of credit in connection with consumer credit transactions. Disclosure requirements provided for are applicable both with regard to the advertisement of credit in connection with a sale or a loan, as well as in the conduct of an actual credit transaction. In advertisement, as well as credit transactions coming within the scope of this act, the creditor is required to provide the buyer or borrower with a statement of the cash sale price, the finance charge, and the annual percentage rate applicable to the credit transaction. In addition to the foregoing, other detailed information must be provided to the consumer in connection with the advertisement or credit transaction involved.

Maximum finance charge

In addition to such disclosure, the act provides that a creditor may neither demand nor accept a finance charge in connection with the extension of credit which exceeds the maximum rate permitted under applicable State law or 18 percent per annum, whichever is less.

Responsible agency

Regulatory authority to implement the provisions of this title are vested in the Board of Governors of the Federal Reserve System. In addition to authority to issue regulations, the Board is given powers of administrative enforcement to secure compliance with the act. In addition to such administrative enforcement, individuals to whom information is required to be given under the act are authorized to bring civil suit where such information has not been properly provided.

Confession of judgment

With regard to credit transactions coming within the scope of this title, the Act prohibits the use of confessions of judgment (cognovit notes), whereby a debtor waives his rights to full legal process in the creditor's attempt to obtain legal judgment against him.

Criminal penalties

Violation of the act may further result in the imposition of criminal penalties when suit is brought by the United States Attorney General.

Regulation of credit for commodity futures trading

For the purpose of preventing the speculation in, and the excessive use of credit for, the creation, carrying, or trading in commodity futures contract, tending to inflate consumer prices, the act provides that the Board of Governors shall issue regulations governing the amount of credit that may be extended or maintained on any such contracts.

Emergency control of consumer credit

This title further provides that whenever the President determines that a national emergency exists which necessitates such action, the Board shall issue regulations to control the extension of consumer credit.

Effective date

The act provides that this title shall take effect on July 1, 1968.

TITLE II—PROHIBITION OF GARNISHMENT OF WAGES

This title provides that the garnishment of wages is frequently an element in the predatory extension of credit and that such garnishment frequently results in the disruption of employment, production, and consumption, constituting a substantial burden on interstate commerce. Accordingly, provision is made prohibiting the garnishment of wages or salary due an employee. Violation of the section subjects an individual to possible fine or imprisonment.

TITLE III—COMMISSION ON CONSUMER FINANCE

This title provides for the establishment of a bi-partisan national commission on consumer finance to be composed of nine members: 3 members from the Senate, to be appointed by the President of the Senate; 3 members of the House of Representatives, to be appointed by The Speaker; and 3 persons to be appointed by the President. The Commission is called upon to study and appraise the functioning and structure of the consumer finance industry in the United States and to report its findings, recommendations, and conclusions to the Congress and the President by December 31, 1969. The Commission is specifically called upon to include within the scope of its report and recommendations a discussion of:

"1. The adequacy of existing arrangements to provide consumer financing at reasonable rates.

"2. The adequacy of existing supervisory and regulatory mechanisms to protect the public from unfair practices.

"3. The desirability of Federal chartering of consumer finance companies, or other regulatory measures."

POVERTY PROGRAM

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

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

There was no objection.

Mr. PUCINSKI. Mr. Speaker, earlier today Mr. Andrew J. Biemiller, legislative director of the American Federation of Labor and Congress of Industrial Organizations testified before our subcommittee on the poverty program.

I am asking permission today to include in the RECORD his entire statement because as the whole Nation debates on the causes of the various disturbances throughout the country in the big cities, Mr. Biemiller has done an excellent job in bringing into perspective the real causes of the problems and the riots that are occurring.

There are four big problems that this Congress has to deal with if we are going to bring peace back to our cities:

First. The staggering unemployment problem in the ghettos.

Mr. Biemiller pointed out that among the Negro youth in the ghettos, the unemployment rate is 46 percent for girls and 31 percent for boys. This deplorable condition makes the young people easy targets for every agitator who wants to start a riot.

Second. The indescribable slum housing, frightening rats, and all the other evils of the slums.

Third. The unendurable heat in houses and homes that become virtual ovens in the crowded slums during the extreme heat of the summer months.

Fourth. The abysmal and total hopelessness of the young people in these areas.

Mr. Speaker, it seems to me that these are the four horsemen of the apocalypse that is sweeping our cities.

Mr. Speaker, I invite every Member in this Chamber to read Mr. Biemiller's outstanding statement so we can get a better understanding of what can really be done on a crash basis to restore law and order in the great cities of our country. While none of us could ever condone or tolerate the rioting which I believe is masterminded by those who would destroy America, I believe we must remove the causes which make many people easy prey for the agitators who start the riots.

The statement referred to is as follows:

STATEMENT OF ANDREW J. BIEMILLER, LEGISLATIVE DIRECTOR, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS BEFORE THE HOUSE COMMITTEE ON EDUCATION AND LABOR ON H.R. 8311, TO AMEND THE ECONOMIC OPPORTUNITY ACT OF 1964, JULY 26, 1967

Mr. Chairman, my name is Andrew J. Biemiller. I am legislative director for the American Federation of Labor and Congress of Industrial Organizations. On behalf of the AFL–CIO, I want to express our appreciation for this opportunity to present to your Committee our views on the proposed 1967 Amendments to the Economic Opportunity Act of 1964.

When President Meany appeared before this Committee in 1964 to testify on the Economic Opportunity Act of 1964, he said: "This is not a new war for us in the labor movement . . . The elimination of poverty is and always has been a primary goal of organized labor and a basic reason for its existence." And he went on to say; ". . . we hate poverty in all its forms and for whatever reason it exists." I cite this to emphasize the fact that I come here as a representative of a segment of society that is deeply committed to the elimination of poverty as a fact of life in our society.

President Meany made the point that for generations the elimination of want and the improvement of the conditions of work and life have been a primary goal of American trade unions. It is for this reason that the AFL–CIO is once again happy to lend its support to the all-important effort to make the war on poverty a success. The amendments now being proposed in H.R. 8311 seek to accomplish changes which, it seems to us, will strengthen the operation and administration of the OEO and its component programs. In general, the AFL–CIO supports them.

The results of the first two and a half years of operation of the Office of Economic Opportunity are encouraging. Sargent Shriver and his associates at OEO have shown courage and imagination in carrying forward the war on poverty. They have carried the war to new fronts, developed better ways of fighting poverty on other fronts. They have been both praised and castigated for their efforts, yet they have continued to move forward. The important fact is that the anti-poverty effort *is* reaching the poor and *is* opening doors through which they can escape from the grinding reality of poverty. True, not enough of the poor are being reached. Not enough doors are being opened. This is not the fault of OEO. The war against poverty is an expensive war and Congress has not been overly generous. The war against poverty requires new techniques, new methods. There are no text books that spell out these techniques and methods. These must be learned the hard way—by trial and error. Despite these and other obstacles, it is our belief that the war on poverty has made a substantial impact on the poor.

Three years ago, when we testified on behalf of the Economic Opportunity Act, we supported the potential, the promise that we saw in this legislation for dealing with the problem of poverty in America. Today, the AFL–CIO is in a position to base its testimony on hard facts which we have assembled as the result of participation in the war on poverty. We have assisted in the policy-making process through our representation on the National Advisory Council on Economic Opportunity in the persons of Mr. David Sullivan, an AFL–CIO Vice President and President of the Building Service Employees International Union, and Mr. James A. Suffridge, an AFL–CIO Vice President and President, Retail Clerks International Association.

In addition, a group of 18 prominent labor leaders serve on the OEO's Labor Advisory Council, which is under the Chairmanship of Mr. Sullivan. This Council consults regularly with Mr. Shriver on matters of mutual concern to organized labor and the war on poverty.

At the local level we estimate that there are about 3,000 AFL–CIO leaders who are currently serving on CAP boards and committees, as well as on the boards and committees of the component agencies of local community action programs. But, in addition to this involvement in anti-poverty programs, there are many unions and local central labor councils that have elected to become direct sponsors of OEO programs. We will refer to some of these later on in our testimony.

Also, in addition to all of these more or less formal relationships between organized labor and the war on poverty, there are literally dozens of instances of informal cooperation by unions and union members with anti-poverty programs and agencies.

While labor's participation in the war on poverty had some central direction and some national guidelines, yet a great part of our participation was spontaneous, stemming from the interest, concern, and compassion of union leaders and just ordinary rank-and-file union members for the people who are poor. They wanted to do something to help the poor find a way out of poverty. From the variety of activities in which they have cooperated in their local communities, we have been able to get a real sense of the meaning of the war on poverty in the ranks of organized labor. The reaction has been positive. Our members have accepted the war on poverty. Their willingness to participate in it is the best evidence of this.

I have indicated that the AFL–CIO strongly supports the war on poverty. I would like to go a step further and put the AFL–CIO on record as also supporting the present structure of the war on poverty. Some members of this Committee have introduced a bill which would drastically alter the direction and thrust of the war on poverty. In fact, they would even rename it and call it the "Opportunity Crusade." They would keep the programs, give them new names, and destroy the agency that brought them into being and enabled them to produce results. They propose to scatter the component agencies of OEO among existing departments of the government. This approach to the war on poverty is hard to understand. At a time when objective observers, such as the Harris poll, indicate that the war on poverty has the approval of a substantial majority of the public, it is proposed the program be decapitated. The AFL–CIO is opposed to any effort that would tamper with the existing structure of the OEO. We oppose it because:

1. Such a move would eliminate the one federal agency that clearly speaks for the poor within the government.

2. Anti-poverty programs would lose their visibility and their forward thrust. They would be forced to compete with other lower-priority programs within existing agencies.

3. Current OEO programs would be fragmented by being departmentalized. Now it is possible to bring various elements of different departments into cooperative and productive relationships.

4. The innovative and imaginative qualities that have characterized the development of new OEO programs would be destroyed.

5. Over-all direction in the war on poverty would be dissipated.

The hue and cry about the administrative failures of OEO simply does not jibe with the known facts.

When the AFL–CIO testified before the Subcommittee on Poverty of the House Committee on Education and Labor on the 1965 Amendments to the Economic Opportunity Act, we stated: "Let us say first that we are encouraged by the imagination and vigor that have characterized the implementation of the act thus far. Much has been accomplished during the brief six months since funds were first appropriated by the Congress. We are not unduly dismayed by the problems that inevitably have emerged, involving the relationships of the federal, state and local governments, and of private groups, in undertaking this novel and difficult effort. We are confident that these are 'growing pains' that will, for the most part, cure themselves."

The legislation that created OEO directed that a whole series of new programs be created without delay. This included the development of Job Corps Centers providing education and training for poor young men and women between the ages of 16 and 22; local community action agencies to meet the local needs of the poor; a massive program of youth employment and work-study; programs for migrants in the fields of education, housing and job training; loans to small business and small farms; a domestic equivalent of the Peace Corps; a work-experience program to get welfare families off relief; and a method of coordinating the poverty-related activities of all federal agencies.

In the two and a half years since Congress issued this directive to OEO, it not only complied effectively, but it also managed to initiate a broad range of additional programs. It developed and put into operation such pioneering programs as Head Start, legal services for the poor, neighborhood health centers, Upward Bound, Foster Grandparents and Medicare Alert.

I don't think it is necessary to enumerate the achievements of OEO. You are all aware of them. We feel that it is an impressive record. We, therefore, urge this Committee to continue the OEO as the spearhead, the central and unifying force in the war against poverty.

It may well be that one of the most enduring and useful programs that the OEO has conceived is the Community Action Program. Here is a new force in the life of the American community bringing added urgency and vitality to bear on the problems of the poor. It is in the Community Action Program where the poor get the chance to participate in the development and management of local anti-poverty programs. It is in CAP where the poor can have a voice in shaping programs to help themselves.

The Community Action Program is an indispensable element of the war on poverty. It has brought the war to the local community, it has given all citizens, including the poor, an opportunity to participate, it has served as the focal point for community action, it has served to identify the problems of the poor, it has served to stimulate the community conscience about the poverty in its midst. For all these reasons we hope that the Community Action Program will continue within OEO. We hope that it will not be spun off to an existing agency where it will lose its vibrant and crucial role in the war on poverty.

Criticism has been directed at the Community Action Program because of the controversial nature of some of the activities which they have sponsored. This is understandable because local CAP agencies bring together people who never before talked together, or perhaps to put it more accurately, who were hardly aware of each others existence. Bringing together divers elements of community life may result in conflict. Yet this conflict has often served to sharpen up local anti-poverty programs. It has helped to make clear to the majority of the community who live above the poverty level what the real and urgent needs of the poor are.

The AFL–CIO supports the "maximum feasible participation" of the poor in Community Action agencies. The war on poverty was never intended to be a dole for the poor, but rather it was conceived as an opportunity for the poor to become involved in anti-poverty programs to assure the fact that these programs respond to their real needs. We are encouraged to note that of the almost 92,000 citizens serving on Community Action agency boards, committees and advisory councils, over 42,000 or about 45 percent, come from among those being helped. For this the OEO deserves to be commended.

In 1964, when President Meany testified on the original Economic Opportunity Act, he placed the AFL–CIO squarely behind the Job Corps idea when he said: ". . . this section—Title I(A)—has great potential. These young people can be taught the routine of holding a job, the rhythm of it; the use of tools, the feeling for them, the familiarity with them, how to take care of them; the whole concept of being part of a work-group, with common obligations and, sometimes, common grievances. These simple experiences, which most of us take for granted are of the greatest importance.

"The trainees can gain from this the self-confidence they may have lacked before. They can emerge from the program fully able to read, write, and figure, knowing what it means to have a job. And they will thereby be better equipped to make their way in the world."

We supported the Job Corps in 1964, we support it in 1967. The idea which President Meany supported, has become a reality of which we can all be proud. The Job Corps offers young people who come from the poorest environments and the bleakest backgrounds an opportunity to develop useful work experience, a chance to get a basic education and chance to live in a new and healthy environment. And perhaps, most important of all, it gives them an opportunity to rechannel their sense of futility and frustration into a new sense of pride in themselves and in their value as human beings.

The Job Corps has been criticized because of the cost per trainee, the number of dropouts and disturbances in the Centers. Current figures indicate that the cost per trainee has been lowered considerably, that more boys and girls are staying in the Job Corps and are staying longer, and the problem of discipline within the Centers is under control. Anyhow such arguments come from those with limited vision. We see the Job Corps as a human reclamation program taking these young people off the streets, away from meaningless lives full of frustration and anger and bringing them back into society where they can become useful, productive human beings. Reclamation is never cheap. But in the long run it is cheaper than riots in the streets, crime, and public welfare.

The job of transforming a youngster's sense of alienation from society, by bringing him into the mainstream, through useful training, re-education and self re-evaluation, is only part of the story. When a youngster comes out of a Job Corps Center, he needs a job. A good job with decent pay. Otherwise, he will slide back into his old environment, lose his skills and his new-found self-esteem. We are happy to note that the 1967 Amendments of the EOA make provision for better placement procedures for those coming out of the Job Corps. This is essential to the success of this program.

Because we in organized labor have been concerned about the placement of men and women coming out of Job Corps Centers, we have cooperated with the Job Corps in developing a Job Corps Center Visitation and Recruitment Program. This program has a three-fold purpose—to let labor leaders see the Job Corps in action, to get labor leaders to help the Centers in the placement process and to help recruit for the Job Corps. Over twenty-five international unions affiliated with the AFL–CIO and twenty-three state AFL–CIO central bodies have participated in tours of Job Corps Centers, with more than 500 labor people participating in visits to ten Job Corps Centers.

The labor leaders who have participated in visits to one or another of the Job Corps Centers in all parts of the country were impressed by what they saw and heard.

John I. Rollings, President of the Missouri State Labor Council, AFL–CIO, after a tour of the Women's Job Corps Center at Excelsior Springs, Missouri, said: "I wish everyone could see the desire and dedication to develop into better citizens by these girls. I wish all union leaders here would go back to their organizations and tell the story of the Job Corps. We must let our Congressmen know how we feel about the program and see that it is properly and adequately funded."

Maurice Lieson, International Representative, American Bakery and Confectionery Workers Union, said that his union would cooperate with the Job Corps and would seek to get jobs for graduates of the Job Corps. He cited the fact that 50 percent of the members of his union were women.

From a report of a visit of representatives of building trades locals from the Bowling Green, Kentucky, area to the Job Corps Center at Great Onyx, Kentucky states: "We found the business agents of the Laborers and the Cement Mason's Locals interested in the placement of the Corpsmen. In addition, the above two locals offered on-the-job training during their busy season. . . . The State President and the State Secretary of the Kentucky Building Trades Council requested Job Corps information in order to carry the message of Job Corps activities to local unions throughout the State of Kentucky."

Time does not permit the inclusion of many other citations of this kind that are in our files.

The AFL-CIO would like to call the attention of this Committee to the work being done at the Job Corps Center in Jacob's Creek, Tennessee. Sponsored by the International Union of Operating Engineers and its affiliate, Local No. 917, the Center is set up to teach young men to handle and operate heavy equipment. At the end of last month, the first contingent of 52 enrollees completed their training. The union has agreed to place each one of these young men in an entry-level job, maintaining heavy equipment.

Their course of work at Jacob's Creek has prepared them to compete with other qualified applicants for a place in the registered apprenticeship programs in this industry. Upon completion of their apprenticeship, these boys will become full-fledged union journeymen in a highly skilled and well-paid trade.

The Job Corps provides educational programs, vocational training, work experience and counselling for those enrolled in this program. But it also has been able, to a large degree, to create an environment in which the enrollees can grow as human beings, gain self-confidence, develop an appreciation of their own potential. This important element in the development of these young people can never be supplied by existing vocational education facilities such as technical institutes, area vocational schools and community training centers.

These facilities can serve youngsters coming from families with greater stability, youngsters who have not known acute deprivation or suffered from social discrimination.

Job Corps enrollees, by the very process of their selection, are young people who carry the scars of poverty and deprivation. We have ample proof that if given a chance these young men and women can "make it" regardless of their handicaps. But to ignore the fact that the needs of this group differs from those of more fortunate young people would be unwise. For this reason, we urge that nothing be done by Congress that would impair the existing residential structure and program orientation of the Job Corps.

We feel that the Job Corps should be retained as an integral part of OEO and that it merits the continued support of Congress. We urge that it be expanded to offer even greater numbers of these severely disadvantaged young people an opportunity to make a place for themselves in the economic and social life of our country.

Another program which the AFL–CIO thinks is proving extremely useful in preparing young people for the world of work is the Neighborhood Youth Corps. The importance of the work experience obtained through N.Y.C. projects becomes clear when seen in the context of the lack of employment opportunities open to these youngsters. The unemployment rate for youth 16 to 21 in 1966 was almost three times higher than the national average for the total labor force. But even this figure tells only part of the story. In the poverty areas of our major cities teen-age boys had a jobless rate of 25 percent and teen-age girls of 23 percent. However, for Negroes in the areas surveyed, unemployment rates in March 1966 were even higher. Teen-age Negro girls had a jobless rate of 46 percent, and for teen-age Negro boys it was 31 percent.

Organized labor has seen this program in operation. A number of unions have sponsored N.Y.C. programs. These unions have been greatly impressed by opportunities that this program has been able to open up for these young people, once they have been given help in overcoming the handicaps of inexperience, lack of education, and lack of skills. Probably the most dramatic example

of the effectiveness of this program is the one in Watts, which is under the sponsorship of the Watts Labor Community Action Committee. The Watts Labor Community Action Committee is a nonprofit organization made up of eleven unions including the Machinists, the Building Service Employees, the Amalgamated Clothing Workers, the United Rubber Workers, and the United Auto Workers, among others.

The WLCAC developed a project that includes programs for young people from various age groups. A program for youngsters aged 7 through 13 was called the Cadet Corps, another called the Community Conservation Corps included the 14 and 15 year olds. The Neighborhood Youth Corps addressed itself to youths 16 through 21 years of age. The program is funded by the Department of Labor, by the Neighborhood Youth Corps, and by funds from the unions.

From a report evaluating the work of the WLCAC comes the following quotation: "The observation of crew chiefs who have worked with the Watts area youths in the project since its inception in summer of 1966 is that there has been a tremendous change in these young people. Their attitude toward themselves and, consequently, toward the staff and also visitors to the program are markedly outgoing, and the cussing and fighting which were common occurrences eight months ago are an exception now." Further on in the same report, we find this paragraph: "A majority of the N.Y.C.s have indicated an interest in receiving more than a salary—in being trained for (1) jobs, and (2) 'leadership.'"

Ted Watkins, formerly an active trade unionist, a resident of Watts and the director of the project, said recently: "We want to make these young guys feel they've got a role to play as men. It's amazing to see the change in them—and amazing to see the change in the adults of the community, too—they used to be afraid of these kids.

"Some of these kids were the looters, they were the burners, they were the ones who started the riot. Now, they say to me, 'we don't want to do anything in this community to mess it up no more.' Now, they're saying this is our community, this is our program."

On Wednesday, July 12, 1967, the *Los Angles Times*, a newspaper that cannot be accused of being pro-labor, ran an editorial commending the WLCAC as "one of the most useful anti-poverty programs to be inaugurated for the Watts area in recent years."

The Central Labor Council of Alameda County, AFL-CIO (Oakland, California), is the sponsor of another Neighborhood Youth Corps project. A three-phased project, it is intended to give 400 youths good work habits and experience, then to train them in marketable skills and finally to place them in jobs at decent wages.

The *East Bay Labor Journal*, labor's official newspaper in Alameda County, gives the union's reasons for sponsoring this project: "The CLC leaders are determined to make the Labor Council's program an effective contribution to lowering Oakland's unemployment rate among teen-agers and easing racial tension by helping youths help themselves. A large proportion of the youths in the program are members of minority groups.

"But just exposing untrained youths to job training won't be enough, those who planned the project realized.

"Many of the youths are on parole or probation, and all are school drop-outs.

"A key element is to restore self-confidence destroyed through repeated failures since early childhood."

Organized labor is strongly in favor of this program. Our experience with it indicates that it has been efficiently administered, and imaginatively programed. We feel that this program should have added funds for fiscal 1968 rather than have its funds reduced more than $50 million as requested by the Administration. The N.Y.C., like Head Start, has been one of the "success" stories of OEO. It deserves to be expanded.

Organized labor has developed a unique partnership with OEO in connection with the training of union members for active service in the war against poverty. In three programs which have been funded by OEO, one in Appalachia, which is currently in operation; another in the New England States; and a third in Pennsylvania, union men and women are being given training to enable them to participate in the OEO program in their home communities. They are being given specific information about the war on poverty and its programs. They are being taught how to help citizens groups apply for federal funds when such funds are available to meet specific local problems. They are being taught the skills needed to help poor people get together in their neighborhoods to discuss and seek solutions to their problems. They will also train other union members for active participation in community action programs.

In the Appalachian region where 104 of the unionists have completed their training course, these men and women have gone back home and provided a leavening in the community for citizen action through Community Action agencies. We can look for similar results from the New England and the Pennsylvania projects. We feel that these projects, by injecting trained and dedicated people into the Community Action Program, will be of invaluable help in carrying forward local action in the anti-poverty war.

In 1964, President Meany heartily endorsed the provision which called for federal assistance up to 90 percent of funding for local Community Action Programs. The experience of local labor leaders who have participated in literally hundreds of local CAP agencies, emphasizes the validity of our support of the 90 percent federal contribution.

Unfortunately, the Economic Opportunity Amendments of 1966 call for the lowering of federal contribution to Community Action Programs from the present 90 percent level to 80 percent after June 30, 1967. This amounts to a 100 percent increase for local communities wishing to participate in Community Action Programs. Such an increased local contribution would create a severe hardship for the poorer urban communities, for many rural areas and for many smaller communities. For the larger cities with many poor neighborhoods, this increase would severely limit the residents of these poverty areas from developing new and needed programs.

As we have already indicated, the Community Action Programs are an essential component of the war on poverty offering the opportunity for involvement to all sectors of the community including the poor. If the Community Action Program is to maintain its catalytic effect; if it is to continue to create greater responsiveness to the needs of the poor in the local community, then it is essential that the persent level of federal contribution to local programs be maintained.

We urge this Committee to restore the 90 percent federal contribution to the Economic Opportunity Amendments of 1967.

Innovation in programming, new and better ways of helping the poor break the poverty cycle are essential if the war on poverty is to achieve its purpose. To meet this need adequate funds are required for demonstration and research purposes.

We are happy to support the Administration's recommendation to increase the amount of funds available for demonstration and research purposes under the Community Action Programs from 5 percent to 10 percent. We urge favorable action on this request by this Committee.

One proposal for amending the Economic Opportunity Act of 1964 is not included in the bill under consideration. This is a proposal that seeks to provide $60 million for day-care services. The proposal would give preference to children from families on welfare in which a parent chooses to undertake education, training or employment. It further mandates maximum use of welfare recipients as sub-professional personnel in the staffing of these day-care facilities.

This measure may well provide another way to reduce dependency on public welfare and we support this approach to the problem.

While substantial gains against poverty have been recorded, we know now that the eradication of poverty will not be achieved overnight.

I believe we all recognize now that we have to plan for a long war. In light of this, we strongly urge that the authorization for the anti-poverty program be made for more than one year and certainly no less than two years. This will permit OEO to plan more realistically both operationally and in program terms. We don't need an annual war of nerves in the war on poverty.

To win the war on poverty, much more needs to be done. If more is to be done, more money is essential. The war on poverty should be expanded. The proven programs should be extended. New programs should be developed to meet unmet needs. The Administration's request for fiscal 1968 for $2.06 billion represents a small step forward. But it is not enough. In the face of 32 million persons living below the poverty level, this amount is woefully inadequate. More money is needed to expand such proven programs as Job Corps and Neighborhood Youth Corps, more money is needed for the Community Action Program, for VISTA, for migrant programs. The great need is to press the war on poverty with greater urgency on all fronts and with increased funds if we are to move the poor from their intolerable condition.

In our judgment we can fulfill our commitments in Vietnam and elsewhere overseas, and at the same time, support the war on poverty more adequately than we are doing now. The resources proposed for allocation to the war on poverty are altogether inadequate in terms of both the need and our capabilities.

The war on poverty has stirred the hopes and aspirations of the poor all over America. The bright promise of a better life has given hope to millions and already for thousands, indeed tens of thousands, this promise has become a reality.

For the millions who are still trapped in the mire of poverty, this bright promise must not be allowed to be extinguished. These citizens who have found new hope must be encouraged to continue their efforts to build a better life for themselves.

We have all been distressed by the sorry roll call of American cities torn by the riots of the past few weeks. We certainly do not condone these riots. Stemming, as they do, from the conditions which exist in our urban ghettos, we feel there is added urgency for more adequate support for the war on poverty. Our urban ghettos require a whole arsenal of programs to help people overcome the handicaps of poverty. The present level of OEO financing is certainly not adequate to meet the needs that exist in our centers of urban poverty.

We, therefore, urge that the level of funding for OEO be raised substantially to enable it to reach greater numbers of the poor.

President Meany said in his 1964 testimony: "When this country, through the Congress, appropriates money for education, for health, for the services and facilities the people need—yes, and for the jobs that result from all these—it is making the best of all possible investments.

"We are here to urge you to expand this investment, an investment aimed at ending poverty in America."

Today, based on the experience of more than two and a half years, we repeat our request with even greater emphasis, "let us expand this investment."

NEED FOR STRONG MEAT INSPECTION LEGISLATION

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

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

There was no objection.

Mr. FOLEY. Mr. Speaker, Andrew J. Biemiller, former Member of Congress from Wisconsin, now director of the AFL–CIO Department of Legislation, recently told the Subcommittee on Livestock and Grains, of the House Committee on Agriculture, that the AFL–CIO asks for approval of strong, effective meat inspection legislation.

So that we may all consider Mr. Biemiller's arguments, I ask unanimous consent, Mr. Speaker, that the text of his statement, appear in the RECORD, as follows:

STATEMENT OF ANDREW J. BIEMILLER, DIRECTOR OF LEGISLATION, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS, BEFORE THE SUBCOMMITTEE ON LIVESTOCK AND GRAINS, OF THE HOUSE COMMITTEE ON AGRICULTURE, CONCERNING MEAT INSPECTION LEGISLATION, JULY 19, 1967

My name is Andrew J. Biemiller and I am Director of the Department of Legislation of the American Federation of Labor and Congress of Industrial Organizations, a federation of 129 national and international labor unions representing some 13,500,000 workers and their families.

We appreciate this opportunity to present our views on the compelling need to increase the coverage of and otherwise improve federal meat inspection legislation. Because of the importance of meat in the diet of all Americans, we consider this legislation of the greatest importance to the health and welfare of our members as it is to all consumers.

As recently as last February, the AFL–CIO Executive Council called for the "inspection for wholesomeness and cleanliness of all meat and poultry, whether or not the meat crosses interstate lines." We regret that some of the legislation before you, especially including the bill proposed by the U.S. Department of Agriculture, would not accomplish this objective.

The fact is that virtually all Americans firmly believe that all the meat and meat products they buy have been inspected by the federal government. They believe that they are being fully protected. Of course, they are not fully protected and they are being deluded into a feeling of false security.

Actually, some 15 percent of all meat slaughtered in the nation and some 25 percent of all meat products processed are not federally inspected. Some of this production undergoes state inspection, but even the best state programs, when they exist, leave something to be desired.

Also distressing is the fact that the Meat Inspection Act does not permit adequate regulation in many areas where the interests of the consumer is deeply involved. You have heard testimony from the Agriculture Department on these points. The need for modernization of this 60-year-old law is totally apparent.

This, Mr. Chairman, is not an academic issue. Serious illness can be caused by unwholesome and unclean meat. The consumer is being bilked into paying normal prices for some meat which came from sick animals and even from animals which died from causes other than slaughter.

Scandals, especially concerning meat which has been processed into meat products, have occurred in recent years. Potentially dangerous situations concerning insecticide residues in meat have developed. New means of handling meat animals and processing meat, unforeseen 61 years ago, are creating problems which the 1906 Meat Inspection Act simply does not cover.

The AFL–CIO firmly believes that the consumer has a right to realize his expectation. He has the right actually to get the full protection which he believes he now has. He has the right to expect his government to assure the health and safety of his family concerning this important food item—especially when so much publicity has been issued by the government and the industry concerning the safeguards available.

We therefore urge that federal meat inspection cover all plants which are in or affect interstate commerce. We are not impressed by arguments that such a proposal invades state rights. That issue was decided long ago by the Congress and the courts in other legislation and raising it now is unrealistic at best.

Certainly, Congress will not tell a mother that her children can become ill because meat inspection legislation places a plant in intrastate commerce when that very factory is considered in interstate commerce under a host of other existing legislation. Certainly, a 1906 decision of what is and what is not in interstate commerce can not be considered sacred when the health of thousands of consumers is involved.

We therefore urge that the Subcommittee approve the coverage provisions of H.R. 1314, the bill sponsored by Rep. Neal Smith. This measure establishes no new determination of interstate commerce. On the contrary, every single meat plant already uses these specific provisions as the test of whether or not it is covered by the federal labor laws.

We regret that H.R. 6168 does not provide an extension of coverage for slaughtering and processing inspection. It would continue the dependence on state governments, which we consider inadequate dependence.

We also regret other weaknesses in the bill, such as the provision that state inspection programs will be subsidized up to 50 percent of their costs if they merely meet the undefined standard that they be "consistent with" the federal program.

Even more regrettable is the position taken by the meat packing industry's trade associations and the National Association of State Departments of Agriculture. They have proposed amendments which would weaken an already weak bill to the point of meaninglessness.

For example, these amendments would require only that state programs be "comparable to" the federal program to get subsidies. One might consider the amendments to be a bargain basement proposal for inspection like the $2.49 price tag for a $4.00 "comparable value."

But there must be no bargain basement gimmicks when the health of Americans is concerned.

We frankly believe that many of the amendments of the meat packing industry and the NASDA would be a hoax on the consumer. They would compound in the consumers' minds the present illusions about protections.

These hearings and the ensuing Congressional activity concerning meat inspection legislation will inform many consumers on the missing links in meat inspection. The meat packing and NASDA amendments would give the impression that new protection has been provided when in actual fact very litle new would have been added.

The AFL–CIO will not be a party to such a hoax. We therefore urge this Committee, its parent body and the House, itself, to approve strong, effective meat inspection legislation, including the coverage provisions of H.R. 1314. We and our affiliates shall do all we can to support and win such legislation.

Consumer protection is one of the major goals of the labor movement. And the assurance of a virtually totally safe and healthful meat supply is a vital factor in that goal.

THE PRESIDENT'S PLAN FOR THE REORGANIZATION OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

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

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

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, on Monday of this week our colleague, JOHN ERLENBORN, introduced House Joint Resolution 740 which would extend the time limitation for congressional action on the President's Reorganization Plan No. 3 for the government of the District of Columbia. The resolution provides for an additional 60 days—or a total of 120 days—between the time the plan was transmitted to Congress and the date it would go into effect unless denied by Congress.

Much publicity has been given to the fact that, if Congress does not reject the President's plan, it will go into effect on August 10—just 2 weeks from tomorrow. It has become apparent to me, and to other of our colleagues, that the 60 days provided by law have been too few to allow an adequate study and firm conclusions of the kind of legislation proposed by the President for reorganization of the complex government of the District of Columbia. The government of the District has not been reorganized in the past 60 years. Is it desirable that we now limit consideration of an unamendable proposal to only 60 days?

I have introduced an alternative, H.R. 11555, to the President's plan, feeling that plan No. 3 is not capable of fulfilling many requirements of the District of Columbia government. Among these requirements are responsiveness to the citizenry, decisiveness, and efficiency. Each of our colleagues has received a letter from me today outlining my bill along with a complete analysis which details the provisions of the proposal.

I must say to my colleagues that I have offered my alternative based on a strong personal belief that it will provide a far better organization for dealing with the problems and challenges of administering this city of 800,000 residents—our Nation's Capital. My plan is not partisan and I do not claim perfection for it. It endeavors to encompass the features of many legislative proposals previously made and suggestions arising from the hearings on Reorganization Plan No. 3 held in both the Government

Operations and House District Committees.

It is a plan designed to provide many basic improvements in the present governmental design while preserving and protecting the special interest of Congress and the Executive in our Federal City. And my plan for resolving the complex problems of city government is amendable.

I am pleased and gratified that the esteemed chairman of the House Committee on the District of Columbia, the Honorable JOHN L. MCMILLAN, has agreed to hold hearings before his committee to explore the relative merits of H.R. 11555 and other alternate plans which have, or will be, offered.

The chairman has informed me that hearings will be scheduled for later this week or early next week.

Mr. Speaker, I think it is clear that, with the promise of hearings on the several reasonable alternatives to the unamendable Reorganization Plan No. 3, the requested extension is necessary if we in the House are to satisfy ourselves that we have acted in the best interests of good government for the District of Columbia and work the will of the Congress in the legislative process.

I have written to the President today urging him to support the 60-day extension, and I have asked him to advise his leadership in Congress of his support of the Erlenborn resolution. May I point out, Mr. Speaker, that if, at the end of an additional 60 days, the House is not presented with a superior reorganization plan, the President's plan could still be implemented if that is the will of the Congress.

I urge your support, and the support of my colleagues in the House, for House Joint Resolution 740. I urge that this request for adequate time be honored.

REORGANIZATION PLAN FOR THE DISTRICT OF COLUMBIA

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

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

There was no objection.

Mr. NELSEN. Mr. Speaker, I wish to add my endorsement to the statement that has been made by my colleague.

The length of time that we have had to consider the reorganization plan is too limited for us to do a good job.

I might also point out to the Members of the House that the District of Columbia Committee will produce a reorganization plan of its own, that has merit, that meets some of the problems of the District of Columbia. I hope the President and the Government Operations Committee and the Congress will give us ample time to give careful consideration to the plan before us.

THE ATTORNEY GENERAL OF THE UNITED STATES SHOULD ENFORCE THE LAW

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

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

There was no objection.

Mr. BRAY. Mr. Speaker, the Attorney General is the chief law enforcement officer of the United States. He has working under his direction the FBI, all Deputy U.S. Attorneys General, all district attorneys, and deputy district attorneys, all U.S. marshals and deputy marshals.

The Attorney General of the United States should now be aware that in many sections of the United States, there is rioting, pillaging, arson, and murder. It is a state of insurrection, directed and encouraged by known enemies of the United States, generally operating with impunity.

I want to call to the attention of the U.S. Attorney General just one instance of which he is well aware if he has been reading the papers or viewing television or listening to the radio. Stokely Carmichael has violated the law many times; he is now illegally in Cuba, to plan guerrilla warfare against the United States, in company with Fidel Castro.

I suggest to the Attorney General that he read section 1544, title 18, of the United States Code. The second paragraph and penalty clause are as follows:

> Whoever willfully and knowingly uses or attempts to use any passport in violation of the conditions or restrictions therein contained, or of the rules prescribed pursuant to the laws regulating the issuance of passports. . .
>
> Shall be fined not more than $2,000 or imprisoned not more than five years, or both. (June 25, 1948, ch. 645, 62 Stat. 771.)

The travel ban to Cuba was published in Public Notice No. 257 in the Federal Register on Thursday, March 16, 1967, by authority of Executive Order No. 11295.

I am aware that the Attorney General will say that the courts will not enforce this ban in the manner in which it is written.

The Attorney General has not suggested to Congress laws in this regard which he believes can be enforced. His office even testified against the recently-passed antiriot bill, which passed the House by a vote of 347 to 70. It is his solemn duty and responsibility to be suggesting laws which he can and will enforce to stop growing insurrection inside America and take action against those who travel abroad to plot against us. As yet, for reasons difficult to surmise, he has shown a minimum of interest in this field. The public demands action and is waiting to see what course he will take.

RIOTS AND LAWLESSNESS

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

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

There was no objection.

Mr. DON H. CLAUSEN. Mr. Speaker, I wish to join my colleagues and the millions of Americans who are alarmed and dismayed over the massive outbreak of racial insurrection in the past few weeks. To me, it is inconceivable that such lawlessness and complete disregard for human safety could explode so violently in a country which prides itself on being a nation of laws.

I believe it has become crystal clear that a young, militant group of former civil rights advocates and workers who once embraced nonviolence has now turned to violence. Twenty nine major riots and a host of lesser racial outbursts, all in different urban centers, and all in less than 2 years, does not just happen.

What we are faced with is a minority frustration grown so great, shared by so many, and concentrated in the smallest of geographical subdivisions, that riots can and are being deliberately and intentionally ignited with relative ease. These hard core instigators, in my judgment, have grown so bitter over their seeming failure to achieve true equality through nonviolence that they have decided to "Get Whitey" instead. In the past few weeks, their role in major riots has become well known. They give speeches urging Negroes to "fight back." They throw the first fire bombs into stores and dwellings, and they snipe at police and soldiers, caring not, in their bitterness, whether they hit "Whitey," other Negroes, or innocent women, children, and bystanders.

Once started, a riot needs no further leadership or direction to attain the desired goal especially if some incident can, temporarily at least, be made to appear as police brutality. The cover of Life magazine this week carries a color photo of a young Negro child sprawled on a sidewalk in Newark—the victim of stray pellets from a police riot gun. At the height of a riot, such a scene can, indeed, inflame those caught up in the mayhem about them.

These riots, with their senseless killings and needless injuries, have set back the civil rights cause at least 25 years and, in the final analysis, only serve to breed new racial antagonism between the races. They have severely hampered those of us who have worked for meaningful civil rights programs. They have hampered the good works and overshadowed the many accomplishments of responsible Negro leaders and spokesmen. And, most important of all, they have spawned a new and threatening form of social insurrection in America which must be crushed immediately if we are to remain a nation of laws.

I strongly support the creation of a special joint investigating committee comprised of qualified Members of the House and Senate to thoroughly go into the facts and circumstances surrounding these riots. I believe such investigation should commence immediately before the flames of Newark and Detroit have died out completely. In the interim, I call on the President to initiate strong executive leadership using all the means available to him, to crush this wanton rebellion before it is too late.

On the matter of social injustices, the approaches and recommended solutions must be carefully evaluated. Our many problems demand the attention of the entire American society—public, private, and independent sectors alike. However,

with these violent disruptions throughout the country, I submit that our civic and political leadership would be well advised to take a long, hard look at the philosophy and administration of programs now in existence. I sincerely believe a new direction, attitude, and approach is needed.

Here in Washington, evidence is mounting that officials fear a riot of major proportions in the Nation's Capital in the near future. Riot squads are being trained in the use of tear gas and automatic weapons. They are to be on standby for duty in August. Those who follow the movements of racial rabble-rousers around the country are worried that Washington, D.C., will see some of the hottest days of a "long, hot summer."

The prime question of the hour that demands an answer is, What is the relationship between Stokely Carmichael's call for guerrilla warfare from Communist Cuba and the outbreak of racial riots in major American cities? Again, I say, this has nothing to do with civil rights. We in Congress and the American people have a right to know what is going on and who, in fact, is behind these riots. If they are Communist inspired, let us find out and act accordingly and swiftly to "nip this thing in the bud."

In closing, Mr. Speaker, I wish to pay tribute to the bravery and dedication of the underpaid and unappreciated police in our major cities. They have had to bear the brunt of this insidious mayhem, tolerate the most vile abuse, and face death and serious injury in trying to do their duty. As a nation, we owe these unsung protectors of law and order a deep debt of gratitude and the fullest measure of our support.

No government has ever tolerated insurrection and survived. Unless checked immediately and forcibly, it could well lead to urban and social decay of such magnitude that we risk the threat of national destruction from within our own borders. These riots, Mr. Speaker, have nothing to do with civil rights. This is open rebellion sparked by hatred for the purpose of creating more hatred and in the end, outright anarchy. It must be stopped now.

SCIENCE PARK WILL MEET NEED

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

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

There was no objection.

Mr. PICKLE. Mr. Speaker, one of the brightest academic undertakings in many years is being planned in central Texas by the University of Texas, the State of Texas, and the residents of Smithville, Tex.

The project involves the establishment of a science park on a 1,700-acre tract of land near Smithville. This unique proposal has met with a good deal of success in the planning stages, and every sign indicates that the establishment of this center will be an asset to not only the immediate area but to scholarly efforts in the entire Nation.

At this point I would like to insert into the RECORD an editorial from the Houston, Tex., Post which describes the proposed park:

[From the Houston Post, July 5, 1967]

SCIENCE PARK WILL MEET NEED

As the frantic pace, pressures and confusion of modern life increase, clearheaded thinking becomes ever more important and ever more difficult. It is becoming harder and harder for the ordinary person to find a time and a place to engage in really serious thought. There are too many interruptions and distractions, and too many people wanting to do his thinking for him.

Although the ordinary citizen may be able to get by with a minimum of thinking, living hedonistically and responding to the physical stimuli of his environment more or less instinctively, it is vitally necessary that somebody do the thinking required to keep the mechanistic society functioning smoothly. As a result, greater and greater dependence is being placed upon a relatively small number of scientists, researchers, serious students and professional specialist, who become consultants of one kind or another.

They are, of course, caught up in the same hectic pace, pressures and confusion as everyone else, and if they are to perform their increasingly vital function of thought and study, it is necessary that they have places to which they can escape to engage in these activities. Seclusion and serenity of atmosphere are of the utmost importance.

For this reason, the plans now beginning to take shape for converting the Buescher State Park near Smithville into a 1,700-acre "science park" are as sound as they are appealing. What the backers of the idea have in mind is a retreat-type area to which full-time and part-time researchers, college students and others interested in anything from "think" sessions to concentrated investigations could go to work and study.

Dr. R. Lee Clark, director and surgeon-in-chief of the M. D. Anderson Hospital and Tumor Institute at Houston, envisions a complex of research, study, teaching and recreational facilities in this scientifically attractive "Lost Pines" area of Central Texas.

The land is being given to the University of Texas for development as a "science park." It is expected that in time many studies concerned with various aspects of man's natural environment and his relationship to that environment will be undertaken here. Almost every area of natural science would be embraced.

The planning has barely begun, and the planners are limited only by their own imaginations in determining the uses to which the land will be put in the future. It is to be hoped, however, that the emphasis never will be taken from the word "park." Whatever is planned and developed there should endeavor, while providing essential creature comforts and whatever is required for the work to be done, to preserve the primitive nature of the area.

An effort should be made to preserve, maintain and even intensify the communion between man and nature. As the state becomes more urbanized and industrialized and its universities tend to become swarming beehives of multitudinous activities, there will be increased need for retreats of this kind to which scientists and thinkers can escape, engaging in their very vital activities in a peaceful atmosphere where a rapport nature is possible.

A "science park" of the kind proposed will be needed increasingly as time goes on, and it is gratifying that the need is being recognized and steps being taken to meet it.

But what about the plain, ordinary citizen who from time to time might want to engage in some heavy thinking, even though it may not be vital? In all the planning, it is to be hoped that his needs will not be overlooked. A few "think tanks" for his use, pleasure and benefit might help to keep us from becoming totally dependent upon a handful of professional thinkers.

A CHANGE OF THOUGHT ABOUT RATS

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

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

There was no objection.

Mr. MATSUNAGA. Mr. Speaker, those Members who voted against the rule for the consideration of the rat control and extermination bill, particularly those who may have honestly believed that the bill was a mere cause for laughter, may have missed seeing the provocative article in yesterday's Washington Post, entitled "The Rats Come Every Night." So, in the hope that it may serve to bring about a change of thinking on the important matter, I ask unanimous consent to include the article in the RECORD with my remarks:

[From the Washington Post, July 25, 1967]

HARLEM'S ENDLESS BATTLE: THE RATS COME EVERY NIGHT

(By Jimmy Breslin)

NEW YORK.—At eight o'clock at night, the rats come up from the spaces around the sewer pipes under the boiler room where they have slept all day. They cling to the big rusted pipe and come up into the boiler room and then they start up the pipes which are inside the walls of the five-story tenement. The rats come for food and water in the apartments where the people live.

As the rats crawled through the building, many of the people who live at 220 East 111th st. in the part of New York called East Harlem were out on the sidewalk. Many of them talked about the trouble of the night before, when a man with a knife was killed by a cop up at the corner.

The neighborhood made the first motions toward a riot, then stopped when Mayor Lindsay arrived and plunged into the crowd. Now, two games of dice were played by men standing in semi-circles around the bottom of the stoop. Four men sat on milk boxes around a card table playing dominoes. Pedro Perdomo, in a yellow polo shirt and floppy field worker's hat, sat on a car fender and pounded a bongo drum held between his knees.

"Yare, yare," he sang out.

"Caro," four people yelled back.

TAKES OFF SHOE

Upstairs, in apartment three on the third floor, Cathy Marrero shrieked. Her husband Ebro broke in a smile. They had just chased two rats from under the kitchen sink and the rats had run into the bathroom and Ebro had slammed the door on them. Now, Ebro said, Now I have them. The rats always stay in the bathroom, licking water from the tub. They never crawl out of the room. Ebro bent down and took off his left shoe.

"Ha," he said.

"Here," his wife said. She handed him a flatiron. Ebro shook his head no. He held the shoe up in his right hand and opened the bathroom door slowly, and slid inside. He slammed the door behind him. He began shouting, "Ho, ha, ho," while he beat the two rats in the bathtub to death with the shoe. The shoe sounded hollow against the sides of the bathtub.

Ebro opened the door and came out, his face and arms glistening with sweat. He

pointed to the rats inside, in the bathtub. They were very small rats for East Harlem. They were much larger than mice, but still very small for East Harlem, where rats are very big.

"You came just in time," Ebro said.

"Do you chase them like this every night?" he was asked.

DOING THE DISHES

"Every night? how could you work in the morning if you do this?" He said. "They just came this time right out under the sink while my wife is doing the dishes. She started chasing them. So I chase too."

His wife came in with a handbrush and a paper bag. She swept the two dead rats into a paper bag. She reached over and emptied the two dead rats out of the paper bag and into the toilet. She flushed the toilet. She put the paper bag into the bathtub. Ebro lit a match and set the bag on fire. After the paper bag burned away, his wife took a bottle of disinfectant from the shelf and poured it all over the bathtub. The disinfectant smelled strong and Ebro left.

He walked out to the living room while his wife scrubbed the bathtub. To get to the living room you go first into the kitchen, then through two rooms that have no doors or windows. A bed, and a crib next to it, was in each room. You come out into a small front room that has a linoleum floor. A broken couch, two rocking chairs and a stuffed chair covered with a plastic filled the small room.

A framed Army discharge certificate and pictures of John F. Kennedy and the Sacred Heart were on the wall over the couch. The two sooty windows were open to the hot air of the street and the sound of the bongo drum.

"The rats come every night?" Ebro was asked.

"All night long," he said. "You see into the kitchen from here? See the refrigerator? I have two by four wood holding it up. That is so we can get underneath it with a broom to chase the rats when they get under it."

"Don't you use a rat trap or poison?"

"The children," he said. "You cannot have traps and poison around with babies. No. Nobody uses traps because everybody has babies. Have you ever smelled a rat when he dies under the floorboards or between the walls? No way to get him out."

"Why don't you try cats?"

CAT DISAPPEARS

He smiled. "The janitor got this big cat and put him in the boiler room. One morning he told me to come and look. There was cat fur all around the boiler room. And no cat. Huh. There are rats in the boiler room bigger than any cat."

"A dog then?" "Sometimes dogs are good, sometimes they're not. Is more trouble than it's worth anyway. There are so many rats in this neighborhood for anything to work."

Ebro is 27. He works for the Railway Express Agency. His wife came into the room with cans of beer. Ebro and his wife sat and drank from the cans.

"Our baby is only three weeks," she said. "We keep him in bed with us. The other two, we have the crib set up high. No rats come there so far. But you still can't leave a baby alone."

"Has anybody been bitten by them?"

"Who hasn't?" Ebro said.

"What do you do when you get bitten?"

"Nothing," he said. "Oh, some people have had to go to the doctor. But with me, only nips."

"Come into the kitchen and be quiet and you hear them," his wife said.

SOUNDS IN THE WALLS

We went into the kitchen and drank beer from the cans and listened for what seemed like a long time but was only 10 minutes. Then there was this sound in the walls. A scratching sound. The tumbling, scrambling sound when one of the rats moved quickly.

It is a sound by itself. And when you are young, and you sleep on the side of the bed next to the wall and the rats scratch against the wall at your ear, you carry the sound with you for the rest of your life. It is something that is heard by people in every poor neighborhood in every city in the Nation. And it is one of the reasons why this is our longest of summers. Last week, the House of Representatives thought it all was a cause for laughter.

JONAH J. GOLDSTEIN

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

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

There was no objection.

Mr. RYAN. Mr. Speaker, New York City lost one of its most renowned citizens last Saturday with the passing of Judge Jonah J. Goldstein. In a city noted for public spirited citizens Judge Goldstein's humanitarianism was exceptional. In an era of colorful political personalities Judge Goldstein was conspicuous for his independence. At a time when enlightened criminal judges were rare, Judge Goldstein pioneered in developing new approaches to the social and psychological factors related to crime.

Judge Goldstein's life was a kaleidoscope of New York. He grew up on the Lower East Side, was helped through law school by the needlework of his widowed mother, did volunteer settlement house work, and became a successful lawyer. As a New York City magistrate and later as a judge of the court of general sessions he strived to humanize the criminal law.

Judge Goldstein's name was synonymous with the Grand Street Boys Association of which he was president for 32 years and which was his constant and absorbing interest, particularly in his later years. Through his work with the Grand Street Boys and other charitable causes, the philanthropy of Jonah Goldstein shaped innumerable lives which will remain his enduring monument.

I came to know Judge Goldstein when I was assistant district attorney of New York County. I frequently appeared before him in the court of general sessions. It was not only a pleasure to work with him, but I learned a great deal from his wisdom and experience. It is an understatement to say he will be greatly missed. I extend my deepest sympathy to his daughter, Mrs. Jules Gordon, his sisters, Mrs. Gertrude Peck and Mrs. Ruth Mesibov, and his grandson.

Mr. Speaker, I enclose at this point in the RECORD the obituary which was published in the New York Times on Sunday, July 23:

[From the New York Times, July 23, 1967]

JONAH GOLDSTEIN, EX-JUDGE, IS DEAD—LEADER IN CIVIC AFFAIRS AND JEWISH COMMUNITY WAS 81

BETHLEHEM, N.H., July 22.—Jonah J. Goldstein, a retired New York judge who was long a leading figure in New York's Jewish community and in the city's philanthropies and civic activities, died at 8 A.M. today of a heart attack at the Littleton Hospital. He was 81 years old.

Judge Goldstein, who retired from the bench of the old General Sessions Court in New York 11 years ago, came to his summer home here on July 11. Feeling ill, he entered the hospital on July 13.

His daughter, Mrs. Jules Gordon, was with him when he died. He is also survived by two sisters, Mrs. Gertrude Peck of New York and Mrs. Ruth Mesibov of Akron, Ohio, and a grandson. His wife, the former Harriet B. Lowenstein, whom he married in London in 1920, died in 1961.

Judge Goldstein was better known as president of the Grand Street Boys Association than as a politician. He was president of the group, a fraternal and philanthopic organization of men who had risen from origins in the slums of the Lower East Side to high place in the life of the city, for 32 years and was still in office at his death.

Although he was a Democrat, Mr. Goldstein was the Republican-Liberal-Fusion nominee when he was defeated for Mayor in 1945 by the late William O'Dwyer, the regular Democratic nominee.

Judge Goldstein was one of the dozen men like Mayor James J. Walker and the city's greeter and onetime Police Commissioner. Grover Whalen, who became symbolic of New York.

During the day Judge Goldstein, a short, slight man with a gravelly voice and a granite visage, president over what is now the criminal part of the State Supreme Court, then named for the court that went back to colonial times. On the bench he was stern, the personification of the objectivity of the law, though he tempered severity with mercy.

BORN IN CANADA

His evenings were divided between the Grand Street Boys and their endless affairs to raise money for the city's charities, the Jewish community and its organizations like the Federation of Jewish Philanthropies, the Zionist cause and its agencies in Palestine and later in Israel, and the civic organizations active in behalf of the general concerns of the city.

He was not a native New Yorker. He was born in Ontario, but he was brought up on the Lower East Side, his family having moved there when he was 6. After graduating from New York University Law School, he began his public career in 1911 when he became secretary to another East Sider, Alfred E. Smith, then majority leader of the State Assembly.

Mr. Smith went on to become Governor and Democratic contender for the Presidency. Mr. Goldstein, whose father had been a peddler from Lithuania and whose mother put him through law school, after his father's death, by her needlework, served a term as clerk of the Assembly's Ways and Means Committee and then entered the practice of the law. He became a partner of his brother, David, who died several years ago, in the firm of Goldstein & Goldstein.

SERVED AS LAY RABBI

On the Lower East Side he served as a lay rabbi but he was also active in the cultural life of the Jewish-Irish ghetto. This activity brought him into close touch with Mr. Smith and with James J. Walker. With them he played roles in the parish theatrical group of St. James Roman Catholic Church.

But where Al Smith and Jimmy Walker occupied themselves with clubhouse politics. Jonah Goldstein devoted himself to building up a law practice and to the cultural and civic life of the city.

His law practice grew through the years to cover most branches of the civil and criminal law. Among his clients were pushcart peddlers, labor unions, poultry dealers, stockholders in large corporations and a

heterogeneous group accused of violating the criminal law.

Having derived pleasure and inspiration from the Lower East Side's settlement houses, he became as a young lawyer a volunteer worker in the settlements at night. With Dr. Henry Moskowitz and Lillian D. Wald he was one of the founders of the East Side Neighborhood Association.

SERVED VARIOUS ORGANIZATIONS

He became a trustee of the Federation for the Support of Jewish Philanthropies, now the Federation of Jewish Philanthropies, a director of the Mayfield Day Nursery for Negro Children, a member of the board of the Joint Distribution Committee, a director of the Jewish Educational Committee and of other agencies.

Through his philanthropic activties he met the young woman who became his wife. The former Miss Lowenstein was also a lawyer and she was a certified public accountant. She was philanthropic adviser to the late Felix M. Warburg and, for nine years, volunteer controller of the Federation of Jewish Philanthropies.

Several times in the late 1920's Mr. Goldstein was mentioned as a possible candidate for Supreme Court justice. But he could not win the approval of Tammany Hall, the New York County Democratic organization.

But then, in 1931, Judge Samuel Seabury conducted his inquiry into the magistrate's courts, a forerunner to the investigation by which he exposed the corruption that riddled the city government under Tammany domination.

A magistrate resigned under fire. Mr. Walker, then still Mayor but soon to be removed from office, picked his friend Jonah Goldstein to fill the vacancy, knowing that he would not allow politicians to corrupt his court.

COURT REORGANIZED

As magistrate, Mr. Goldstein became chairman of a committee to reorganize the courts. He also was instrumental in the decision to take family relations out of the magistrate's courts and give the field a term of its own. He was the first to conduct an "adolescent term" of the magistrate's courts for dealing with youthful offenders.

In 1936 the late Herbert H. Lehman, then Governor, picked Judge Goldstein from the magistrates' bench to fill a vacancy on the Court of General Sessions. He served notably on the bench. But in making the appointment Mr. Lehman had failed to consult Tammany.

As a result, when the term ran out, Judge Goldstein was not designated to succeed himself. With wide backing from independent Democrats he fought Tammany in the primary but lost.

Several years later when Tammany, seeking to overcome its reputation for political corruption, backed a Republican named by Governor Lehman, Judge Jacob Gould Schurman Jr., Judge Goldstein ran independently again in the Democratic primaries and won. He also won in the general election.

WROTE BOOK ON FAMILY COURT

Thereafter Judge Goldstein took a leading part in winning changes in the law to provide more humane treatment for the youthful offender. He also wrote a book, "The Family in Court," which won recognition for the special needs of the Family Court. When his term expired in 1953, he received, at the urging of the bar associations, the designations of the major parties and was reelected to a 14-year term.

When he was 70, in 1956, the Federation of Jewish Philanthropies held a birthday party for him in the Wise Memorial Hall at Temple Emanu-El. In connection with it he reviewed his career in the chambers where his first act on getting off the bench was always to chomp his teeth on a cigar.

He said he had had very few enjoyable moments in his 30 years on the bench. A judge, he said, hurts those who have done no crime—mothers, fathers and children. "There is no pleasure in hurting these people," he said.

He took satisfaction in the humane features he had introduced in the criminal law but he said he would like to see the day when law violators who were not antisocial were treated as offenders rather than criminals.

HALFWAY HOUSE

In retirement his chief activity was the Grand Street Boys Association. After the group had moved to its own building at 106 West 55th Street—with a turn-of-the-century gas lamppost outside bearing a sign reading "Grand Street"—he moved his apartment from lower Fifth Avenue to the apartment house across the street, at 101 West 55th Street. He had the penthouse, but he called it the top floor.

The clubhouse was sold and razed this year and the association moved into temporary quarters at the Hotel Wellington. A new clubhouse is being erected at 131–35 West 56th Street.

Once, on a reminiscent visit to the Lower East Side, Judge Goldstein described the neighborhood as "a halfway house."

Judge Goldstein's body will be at the Riverside Memorial Chapel, Amsterdam Avenue and 76th Street, tomorrow. The funeral will be Tuesday at 11:30 A.M. at Mount Neboh Congregation, 130 West 79th Street. Burial will be in its cemetery in Glendale, Queens.

RIOTS IN WASHINGTON?

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

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

There was no objection.

Mr. DORN. Mr. Speaker, despite rumors to the contrary, the counsel and guidance of the responsible Negro leadership will prevail in Washington. They are dedicated Americans who are determined that our Nation's Capital will remain an example of freedom, decorum, restraint, and responsibility.

Ninety-nine percent of American Negroes deplore the violence, bloodshed, pillage, and looting sweeping American cities today. These riots and disrespect for law and order are not instigated and promulgated by our respected Negro leadership.

Mr. Speaker, it is time to recognize the responsible and devoted majority of our Negro people who will have no part in mob violence. The overwhelming majority of the Negro community and a vast majority of our Negro leaders are responsible men—men who are shocked by violent demonstrations that lead to rebellion against law and order. They believe in the fundamental principles of our American democracy as enunciated in our Declaration of Independence and our Bill of Rights. They believe in "peaceful assembly" and property rights.

The American Negro is loyal to our American ideals and to American respect for law and justice. He believes in those principles and ideals that made America great. In Vietnam Negro soldiers have demonstrated their courage, shoulder to shoulder, with Americans of all races. The American Negro has conducted himself in the field of battle with honor and distinction. General Westmoreland, our great commander from my State of South Carolina, recently referred to the combat record of the Negro soldiers in Vietnam as "excellent."

We must remember who suffers most from riots—it is the responsible Negro community, those with property, those who have taken advantage of opportunity and who have ambition. We should not forget that in the bloodiest riot of this summer, of the 26 people killed 24 were Negroes.

The raving agitators who make the headlines do not speak for the American Negro.

Bettina Aptheker, the admitted Communist who led the Berkeley riots, did not speak for the American student.

The grand wizard and George Lincoln Rockwell with his Nazis do not speak for the American white community.

And, Mr. Speaker, Stokely Carmichael, Rap Brown, Reverend Williams and their ilk do not speak for the American Negro.

Yesterday Rap Brown, professional agitator, speaking in Cambridge, Md., said:

> You give me a gun and tell me to shoot my enemy. I might shoot Lady Bird.

Yesterday Stokely Carmichael lambasted the United States of America from Havana, Cuba, home of Fidel Castro's Communist putsch to take over the Western Hemisphere.

Mr. Speaker, I emphasize that these dangerous radicals, white and Negro, are only an infinitestimal portion of American society.

The United States is in the throes of a grave crisis. Disrespect for law and order has brought our cities to the brink of anarchy. A handful of agitators and radicals are bringing shame and suffering to the millions of sober and upright citizens who wish only to live and work in peace.

The American people are now aroused. They will reject rebellion, anarchy, and criminal conspiracy. In the days ahead the respected American Negro leader will play no small role in upholding the image of our great country before the world and in bringing renewed respect for law and order.

DETROIT MUST BE DECLARED A DISASTER AREA

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

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

There was no objection.

Mr. DINGELL. Mr. Speaker, the city of Detroit stands today reeling from the almost immeasurable damages which it has suffered during these last few days. Statistics are hard to come by and, indeed, at this point not altogether meaningful. When one reads that the total damage is somewhere between $200 million and possibly $1 billion, it is hard to envision what this means to the lives

and the future of the people of the city. The last count which I have received is that approximately 40 people have been killed. The precise number of those wounded during the disaster is not available. Reliable estimates indicate that it has risen to over 1,500 and may well number even higher in the thousands.

There are people to be housed and fed and clothed. The debris must be cleared away. Health and sanitation measures must be provided. Local government functions must be made operational. Businesses must be reopened.

In brief, Detroit has undergone a disaster unparalleled by any major U.S. city in recent history. There is a clear, present, and growing need for Federal assistance to the people of the city and the local levels of government.

On July 25, I sent the following telegram to the President:

I strongly urge that you immediately declare Detroit, Michigan, a disaster area so that the full resources of the Federal Government can be made available to restore essential services to full operational levels. The devastation in the riot area is of awesome proportions. Immediate and total action by all levels of government is required if the health and welfare of the people are to be protected. I am aware that the provisions of the Federal Disaster Assistance Act have not previously been invoked to assist areas hit by civil disorders. However, the situation extant in Detroit requires immediate and meaningful action, and I believe that an innovative response is required.

The first steps for Federal assistance in the long process of rebuilding have already been arranged for. I am happy to announce that as soon as it is feasible to do so the Small Business Administration will have special interviewing teams in the stricken area to meet with affected small businessmen to give them full information and make available to them all of the usual SBA lending and counseling programs in an effort to speed the rebuilding of the many small businesses which have been destroyed.

I am informed by SBA that they will bring in special teams who have worked in other cities which have suffered civil disorders in the near past, such as Newark and the Bedford-Stuyvesant area in New York City. Until there is a declaration that Detroit is a disaster area, this assistance must be confined to the regular SBA programs. The granting of long-term, special low interest loans requires a declaration of disaster.

Public Law 81–875 provides:

It is the intent of Congress to provide an orderly and continuing means of assistance by the Federal Government to States and local governments in carrying out their responsibilities to alleviate suffering and damage resulting from major disasters, to repair essential public facilities in major disasters, and to foster the development of such State and local organizations and plans to cope with major disasters as may be necessary.

A "major disaster" is defined by the act to include "any flood, drought, fire, hurricane, earthquake, storm, or other catastrophe in any part of the United States which, in the determination of the President, is or threatens to be of sufficient severity and magnitude to warrant disaster assistant by the Federal Government to supplement the efforts and available resources of States and local governments."

The statute then goes on to say before an area can be declared a disaster area a request must be filed by the Governor of the State in which the disaster occurred. It was reported in the Washington Post this morning that Governor Romney stated that "he would ask Washington to declare Detroit a Federal disaster area, although he was not sure it would qualify."

I today have sent Governor Romney the following telegram:

I urge that you immediately request President Johnson to declare Detroit a disaster area. Such request from the Governor of a State is required before the President can so proclaim. On Tuesday I sent a telegram urging President Johnson to take such action. Although it would be a precedent setting move, I am assured by high Administration officials that their minds are open on the matter and a request from the Governor of Michigan would receive sympathetic consideration. Favorable action on your request would make available substantial Federal resources to assist the people of Detroit and their government in recovering from the major catastrophe which has been visited upon them.

I would urge the Governor to act at the earliest possible moment in filing his request. I would hope that he would agree with me that when untold thousands of Detroit people are homeless and when a substantial portion of our business community has been burned out or otherwise put out of business that this is not the time to quibble over technicalities. The law is quite clear when it states that a catastrophe which, in the judgment of the President, requires disaster assistance may receive such assistance.

I am aware that in the past damages caused by civil disorders and insurrections have not been considered as qualifying for this type of assistance.

I am confident, however, that the same factors which resulted in the Governor's request for Federal troops and the President's prompt action in honoring that request are applicable to the marshaling of other Federal resources for the benefit of the people of Detroit.

I submit that to the homeless families, to be burned-out small businessmen, to the hungry, the wounded, there is no difference, real or imagined, resulting from whether the cause of the injury was a hurricane, an earthquake, or a civil disorder.

So that there can be no question of the kinds of assistance which I propose to be made immediately available in Detroit, I ask unanimous consent that at the close of these remarks there be inserted a brief summary of the various applicable Federal programs available for disaster purposes.

FEDERAL DISASTER RELIEF

Federal supplemental assistance may be given to state and local governments in disaster relief efforts when a major disaster is declared by the President. The Federal government finances state and local government efforts in debris clearance; protective, health, and sanitation measures; and the emergency repair or temporary replacement of essential public facilities, including provisions for temporary housing or emergency shelter. It also reimburses Federal agencies for disaster relief assistance directly furnished to state and local governments at the direction of the Office of Emergency Planning.

(Any state and/or its political subdivisions is eligible.)

DISASTER RELIEF FOR PUBLIC INSTITUTIONS OF HIGHER EDUCATION

This program provides grants or repayable advances to public institutions of higher education for restoring or replacing academic facilities and equipment that are destroyed or seriously damaged as a result of a major disaster. The Federal payment will be based on replacement costs less other available funds.

(Those eligible are public institutions of higher education that suffer loss of academic facilities as a result of major disasters occurring after October 3, 1964.)

DISASTER LOANS

The purpose of this program is to assist independently owned and operated small businesses organized for profit to acquire working capital in order to reestablish or continue their businesses when they have suffered substantial economic injury from a major or natural disaster declared by the President.

(Disaster loans are available to any small business which is located in an area that the President has declared to be a major disaster area because of a storm, flood, disease, earthquake, or similar catastrophe.)

MORTGAGE INSURANCE FOR REPLACEMENT HOUSING FOR VICTIMS OF NATURAL DISASTERS

The full appraised value, up to $12,000, of a new or existing one-family house may be insured under this FHA program for a buyer whose housing unit was completely or substantially destroyed by a natural disaster.

(Victims of natural disasters whose home, owned or rented, has been damaged or destroyed by the disaster are eligible. If the property and borrower meet FHA property and credit standards, then the mortgagor or builder must arrange for the loan.)

DISASTER ASSISTANCE FOR PUBLIC SCHOOLS

This program provides direct payment or loans to school districts: (1) for replacing or restoring school facilities in periodic installments as construction progresses, and (2) for current operating expenses as the funds are needed.

(To be eligible, local educational agencies must be in a disaster area that is declared by the President to warrant disaster assistance by the Federal government. The agency's public school facilities must either have been seriously damaged in the disaster or have accepted children from private elementary or secondary schools that were seriously damaged in the disaster.)

NATURAL DISASTERS—WARNING, SURVIVAL, AND REHABILITATION

The warning of impending or actual natural disasters or other civil emergencies is the joint responsibility of all levels of government. The Federal government supports state and local governments technically and financially in the preparation and implementation of operations against natural disasters and emergencies and to start reconstruction, as follows: (1) surveys existing facilities to identify requirements for survival, (2) makes available "packaged" disaster hospitals, food, medicine, and sanitation items stocked for nuclear attack survival, (3) provides matching funds for personnel, administration, emergency operating centers, and training, (4) provides for communications and equipment for warning, and (5) provides instructors' guides, student manuals, and special education and training at universities and at the Civil Defense Staff College. These services are provided or operated by various Federal agencies through Civil Defense channels.

(State governments are eligible for Federal financial assistance if they have a full-

time director or deputy director of civil defense, and a civil defense program approved by the Federal government.)

(Local governments are eligible if they have an operational plan and a program that has been approved by the Federal government.)

The Federal Aviation Agency will loan available aircraft for transportation of supplies and equipment.

The Department of Housing and Urban Development may provide interest-free advances for rehabilitation planning as well as loans at reasonable interest rates for construction of public facilities. All requirements in rendering financial assistance to urban areas in need of redevelopment or rehabilitation may be waived as a result of major disaster. Loan adjustments on FHA assured loans can be made and temporary housing for disaster victims in defaulted FHA-insured homes can be made available. Temporary housing can also be made available in any available public housing. The Agency Administrator has authority to enter into special mortgage procedures in commitment of disaster areas.

The General Services Administration can provide transportation, communications, engineering, and architectural services. They can also provide office and shelter space, surplus properties, and lease of idle government-owned production equipment and sale of government surplus goods.

The Treasury Department can provide income and other tax relief of many types for disaster victims.

The Labor Department can provide for special emergency sub-offices to better serve workers in need. The Department will also recruit workers for cleanup and rehabilitation operations and provide manpower from Neighborhood Youth Corps units.

The Department of Agriculture can provide food stocks for emergency mass feeding by disaster relief agencies and for direct distribution to needy persons through public welfare agencies as well as technical assistance and information in the areas of sanitation, feeding and rehabilitiation.

The Post Office Department may provide emergency locater information and materials together with temporary postal delivery sites, facilities, and personnel to expedite delivery of priority mail until normal operations are possible.

The Veterans Administration may provide loan advances and relief to assist Veterans in the rehabilitation and repair of their property. VA will also guarantee new loans and give expedited processing of claims and allowances and also provide VA medical facilities, equipment and personnel for emergency work.

The Department of Health, Education, and Welfare is authorized to provide funds, personnel and other assistance for a variety of sanitary and disease control measures. HEW also has a program for assistance to State and local welfare agencies to enable them to provide a variety of financial, medical, and welfare services and, additionally, can provide surplus real and personal property for health and educational purposes.

The Department of Defense and its component services can assist in provision of shelter, food and medical care as the situation warrants. Civil Service Commission is empowered to provide personnel and equipment to assist State or local governments in disaster relief activities.

The Office of Economic Opportunity can supply manpower from the Job Corps for debris clearance and other rehabilitation projects.

A number of other Federal agencies also have a variety of programs designed to assist disaster areas.

VACATING SPECIAL ORDER

Mr. FULTON of Tennessee. Mr. Speaker, I ask unanimous consent that the special order of the gentleman from New York [Mr. RESNICK] for today be vacated.

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

There was no objection.

CARL SANDBURG

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CONTE. Mr. Speaker, I am standing because of my personal sorrow at the death of Carl Sandburg last Saturday morning. I admired the man and loved his poetry. But I will speak as a Member of Congress, whose concern is the liberty, welfare, and happiness of this Nation. I mourn in this capacity, because America has lost one of her greatest poets, one more of the men who tell her what she is, who define and purify her emotions and give her a soul. Carl Sandburg set himself this task; he magnificently performed it.

Few writers in our literature were so distinctively and deliberately American. His spirit was aptly described by the following statement from the New York Times:

It was impossible to think of Sandburg as an expatriate, knocking on the doors of the British establishment for admittance, or counting out francs in some seedy bistro in a murky dawn. Sandburg would never have asked "Why should the aged eagle stretch its wings?" His eagle—fierce, taloned, gimlet-eyed and cruel, perhaps—had a sovereign's view of America: Oklahoma Badlands and Kansas wheat fields, skyscraper and bean row, Ty Cobb and a wandering dynamiter, and "the Jew fish crier down on Maxwell Street."

He wrote in the Democratic style, broad, vigorous, sentimental and rough-hewn. If his defects were the flaws of America, his voice was as great as his country. Perhaps he appeals most deeply to Americans, but then he has felt and refined our deepest passions. A man must be an American to understand the mid-Western poetry of the "limited express":

I am riding on a limited express, one of the crack trains of the nation.
Hurtling across the prairie into blue haze and dark air go fifteen all-steel coaches holding a thousand people.
(All the coaches shall be scrap and rust and all the men and women laughing in the diners and sleepers shall pass to ashes.)
I ask a man in the smoker where he is going and he answers: "Omaha."

More than an American, Sandburg was the poet of our Democracy. His work grew from the twin influences of Walt Whitman and the Milwaukee Social Democratic Party. He reached maturity in the "Chicago School" of the 1910's, one of the major flowerings of literature from the Democratic seed-bed of American journalism. From this training came a poetry that created a soul and a memory for the people, a poetry tinged with the rough edged sentimentality of the Chicago writers and imbued with the indignation of the mid-West socialists. But it is was not a poetry of ideology; it grew up among the people and knew them too deeply. Sandburg asked:

Who shall speak for the people? Who has the answers? Where is the sure interpreter? Who knows what to say?
Who can write the music jazz—classical smokestacks—geraniums hyacinths—bisquits now whispering easy now boom doom crashing angular now tough monotonous tom-tom
Who has enough split-seconds and slow sea-tides?

He gave his own answer in the 107 stanzas of "The People, Yes", containing some of his best lines and deepest emotions:

The people, yes,
Out of what is their change
From chaos to order
And chaos again?
"Yours till the hangman doth us part,"
Don Magregor ended his letters.

"It annoys me to die,"
Said a philosopher.
"I should like to see what follows."

To those who had ordered them to death,
One of them said:
"We die because the people are asleep and you will die because the people will awaken."

Greek met Greek when Phocion and Democritus spoke.
"You will drive the Athenians mad some day and they will kill you."
"Yes, me when they go mad, and as sure as they get sane again, you."

Sandburg saw the summation of the American midwest and American Democracy in the person of Lincoln:

A mystery in smoke and flags
Saying yes to the smoke, yes to the flags,
Yes to the paradoxes of democracy,

He devoted much of his time to his fellow citizens from Illinois, writing the most massive biography in American literature and permanently fixing in the American mind the legend of the prairie lawyer and the emancipator. For much of the popular mind, Sandburg created Lincoln, and in his creation performed the sublime and essential work of the poet, giving history and dreams to the people who—

Once having marched
Over the margins of animal necessity,
Over the grim line of sheer subsistence
Had come
To the deeper rituals of his bones
To the lights lighter than any bones,
To the time for thinking things over . . .

But the explanation of the poet's role belongs to the poet, and I will relinquish that task to the words of one who is well known to many of us. Whenever I talk of poets, I remember the admonition of Mr. Archibald MacLeish, a fellow resident of western Massachusetts, in his verse, "A Poet Speaks From the Visitor's Gallery":

Have gentlemen perhaps forgotten this?—
We write the histories.

Do gentlemen who snigger at the poets,
Who speak the word professor with guffaws—
Do gentlemen expect their fame to flourish
When we, not they, distribute the applause?

Or do they trust their hope of long remembrance

To those they name with such respectful care—
To those who write the tittle in the papers,
To those who tell the tattle on the air?

Do gentlemen expect the generation
That counts the losers out when tolls the bell
To take some gossip-caster's estimation,
Some junior voice of fame with fish to sell?

Do gentlemen believe time's hard-boiled jury,
Judging the sober truth, will trust again
The words some copperhead who owned a paper
Ordered one Friday from the hired men?

Have gentlemen forgotten Mr. Lincoln?

A poet wrote that story, not a newspaper,
Not the New Yorker of the nameless name
Who spat with hatred like some others later
And left, as they will, in his hate his shame.

History's not written in the kind of ink
The richest man of most ambitious mind
Who hates a President enough to print
A daily paper can afford or find.

Gentlemen have power now and know it,
But even the greatest and most famous kings
Feared and with reason to offend the poets
Whose songs are marble
And whose marble sings.

CESSATION OF FEDERAL BENEFITS TO PARTICIPANTS IN RIOTING AND LOOTING

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. BERRY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BERRY. Mr. Speaker, I am today joining in introducing legislation to cut off all Federal benefits to any individual participating in rioting or looting.

The bill, suggested by the distinguished Member from New Hampshire [Mr. WYMAN] would halt such Federal payments as social security, welfare, and unemployment compensation to anyone arrested and convicted of participation in rioting. It would also halt future payments. Under the legislation, it would be a criminal offense for a State or Federal official to pay or cause to be paid any benefits derived wholly or in part from Federal funds to any person convicted of rioting in any court in the land. The bill also provides that such benefits be cut off upon conviction and during an appeal. A successful appeal would, of course, mean retroactive restoration of benefits.

We need to let these persons know that if they intentionally participate in this mockery of law and order, where murder and arson, rioting, and looting are carried out in a carnival atmosphere, they will lose, for life, any Federal benefits. This strong deterrent is sorely needed at this time. I urge early and favorable consideration of this bill.

ALASKA'S CENTENNIAL YEAR

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. McDONALD] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. McDONALD of Michigan. Mr. Speaker, during 1967 the centennial anniversaries of the great events that brought Alaska to the United States are being observed. On the 30th of March, 1867, William H. Seward, Secretary of State to President Andrew Johnson, concluded negotiations with Russia's representative, Baron de Stoeckl, for the purchase of Russian America. The Senate of the United States ratified this treaty on April 9, 1867, and the House of Representatives appropriated the money for the purchase on July 14, 1867.

On October 18, 1867, at Russian America's New Archangel, now Sitka, Alaska, the flag of the Russian American Company, a white, red, and blue banner with imperial Russia's two-headed eagle emblem, was lowered, and in its place was raised the flag of the United States of America.

For the sum of $7,200,000, at a price of about 2 cents an acre, the United States acquired more than a half million square miles of land comprising the largest peninsula on the North American continent. No wonder that the Russians seem to have been angry with us ever since.

The first Europeans to reach Alaska came in 1741, more than 200 years after Europeans had landed on the east coast of North America. They were led by an elderly Danish sea captain named Vitus Bering who sailed under the flag of imperial Russia. Dropping anchor off Kayak Island, he sent a few men ashore for water, and then promptly headed back toward Siberia. Forty-three years later the Russians established a colony on Kodiak Island, and Alaska remained a Russian possession until its 586,400 square miles became part of the United States.

Americans, occupied with settling the West and subduing the Indians who fought that settlement, paid little attention to their new territory until 1896 when gold was discovered on Bonanza Creek in the Klondike. Then came a stampede of prospectors to the Panhandle, the Yukon Valley, and even to Nome, on the bleak and distant western coast. The boom petered out in a few years, and Alaska settled into the slower pace of homesteading. Statehood finally came in 1959.

In an article reporting the purchase of Alaska, the New York Times took note of the fact that this acquisition by the United States excluded a large part of British America from access to the ocean. The Times described the representatives of the English Government in Washington as both "highly excited and chagrined." The Times expressed its belief that the newly acquired land would be valuable for its natural wealth, fisheries, furs, minerals, and timber, and "of the highest importance as a naval depot and for strategic purposes."

In the last 30 years, those strategic purposes have been of crucial importance to the United States. The ownership of Alaska by the United States during World War II permitted the fortification of northern approaches to this country against Japanese attack. When World War II was won and the cold war took its place, those fortifications and defenses were increased and expanded. A strengthened Alaska is now an immense buffer area between Asia and North America, and the chagrin of the Japanese and the Russians has exceeded that felt by the British a centry ago.

Thus it is that decisions made so long ago have benefited all of us today. The enduring importance of the acquisition of Alaska in 1867 is that Russia cannot use Alaska as a base from which to wage war, hot or cold.

In this centennial year of Alaska's purchase, we pay tribute to the wisdom of the men in Congress and in the executive branch of the Federal Government a hundred years ago when they acted to acquire what became the 49th State of the United States. But, we also pay tribute to the men and women of Alaska who have labored over the years to bring Alaska to full partnership in our Union, and to her people who continue to work today to make Alaska a State we can all view with pride.

Mr. Speaker, on my own part I wish to take note of the fact that a group of unofficial ambassadors from my congressional district will be visiting Alaska during her centennial celebration to extend a warm greeting from the people of Michigan and to present Gov. Walter J. Hickel with the Michigan State flag. They are students. They have studied about Alaska. And they have saved the money to make the trip.

Their desire both to learn about the great State of Alaska and to save their money to make the trip was instilled by Mr. Edward J. Kuhn of Waterford Township, Mich. Mr. Kuhn is a teacher of economics at the Hazel Park High School. This is the 11th year in a row that he has been taking students to visit Alaska. His reason for the project is, essentially, to teach the students thrift, self-reliance, and the necessity to work hard if you have a particular goal toward which you are aiming. Since beginning his annual trek, Mr. Kuhn has taught this vital lesson to 133 students. At the same time, he has stimulated their interest in Alaska and provided them, therefore, with a dual educational opportunity.

Although most of this year's group are from the Detroit metropolitan area, Mr. Kuhn has taken students from Canada and other States. This list of students who will join Mr. Kuhn this year include the following:

Bill Lytle, Allen Park, Mich.
John Fox, Detroit, Mich.
David Lorfel, Detroit, Mich.
Paul Kuhn II, Birmingham, Mich.
Jeff Shanks, Bloomfield, Mich.
Don Hacker, Bloomfield, Mich.
Joel Billbury, Harsens Island, Mich.
Joel Goodman, Huntington Woods, Mich.
Steven Fox, New Baltimore, Mich.
Michael Weber, Oak Park, Mich.
Donald Foren, Royal Oak, Mich.
Robin Sharrard, Royal Oak, Mich.
Kent Kokko, Southfield, Mich.
Michael Stanley, Walled Lake, Mich.
Scott Scholz, Galesburg, Ill.

Mr. Speaker, I am asking Mr. Kuhn and these students to serve as my per-

sonal representative and to convey my heartiest congratulations to Governor Hickel and the people of Alaska during this, their 100th anniversary as part of this great Nation. I have further notified the gentleman from Alaska [Mr. POLLOCK] of their forthcoming trip, in order that he may know of the arrival of these ambassadors of good will from Michigan and, if possible, be on hand to greet them.

They are a tribute to my State, this Nation, and, most of all, themselves, and I can think of no finer group to represent my congressional district at the Alaska centennial than Mr. Kuhn and his students. I think you will agree.

THE 4-H YOUTH LEADERSHIP AND HOME ECONOMICS PROGRAMS FOR THE DISTRICT OF COLUMBIA

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. ZWACH] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ZWACH. Mr. Speaker, last month, the gentleman from Minnesota, Congressman ANCHER NELSEN, joined me in proposing legislation to establish 4-H youth leadership and home economics programs for the District of Columbia. Since that time a number of Congressmen and Senators have introduced similar bills.

The program would use the family approach to reach those most in need in specified areas designated in cooperation with a local university. The two primary program efforts would be directed toward, first, youth through 4-H projects and, second, women and their families through home demonstrations.

Professional fulltime youth and home economics leaders would be employed to train assistants. These folks would go into the selected neighborhoods working directly with residents in their homes and in small groups.

The program is directed toward the hard-to-reach poor—those who do not attend meetings or seek help—in the District of Columbia. People who have been working closely with the problems of the District have advised me that 93,000 boys and girls and 95,000 families in Washington live in abject poverty.

Programs similar to the type that we hope to see developed for Washington have operated in other cities—Chicago, Syracuse, and Buffalo. Data on program operations indicate that it will cost about $75 to $100 per youth each year and $50 to $80 per family each year.

We anticipate that about one-half of the money appropriated will be used for each phase of the project. Most of the money is used for salaries for professional staffing. A second item is money to hire professional assistants, generally three or four assistants per each professional worker. Equipment for these programs would include such basic materials as pots and pans, dishes, silverware, foodstuffs, hammers, nails, lumber, automobile parts, and tools.

Installing a stove and refrigerator in a vacant building for use as a demonstration center to teach women how to cook a basic one-course meal is one example of a cost item for the home economics phase. Securing a garage and equipping it with automobile parts and tools might be done under the youth programs.

Mr. Speaker, the District of Columbia is the only area of this great Nation to which the Federal Extension Services are not available. Every single State, as well as Puerto Rico, Guam, and the Virgin Islands has 4-H—but not the District of Columbia.

In order for my colleagues to review a copy of this legislation, I ask that the text of the bill be printed as follows:

H.R. 10680

A bill to establish cooperative extension services in the District of Columbia

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized to establish and maintain cooperative extension services in the District of Columbia, which will include 4-H youth development and home economics programs administered by the United States Department of Agriculture (hereinafter referred to as the "Department"), to promote the welfare of the people of the District of Columbia. The Secretary is authorized to provide for such modification of any such program extended to the District of Columbia as he deems necessary in order to adapt it to the needs of the District of Columbia.

SEC. 2. The programs authorized by this Act shall be developed in cooperation with the government of the District of Columbia, and shall be covered by a memorandum of understanding agreed to by the government of the District of Columbia and the Department. Such memorandum of understanding shall provide for implementation of the programs by Howard University. The Secretary may also utilize the agencies, facilities, and employees of the Department, and may cooperate with other public agencies and with private organizations and individuals in the District of Columbia and elsewhere to carry out the purposes of this Act.

SEC. 3. There are hereby authorized to be appropriated $5,000,000 per annum to carry out the purposes of this Act. Sums appropriated in pursuance of this Act shall be in addition to, but not in substitution for, sums appropriated or otherwise made available to the Department, and may be allocated to such agencies of the Department as are concerned with the administration of the program in the District of Columbia. Four per centum of the sum so appropriated for each fiscal year shall be allocated to the Federal Extension Service for administrative, technical, and other services of the Department in carrying out the purposes of this Act.

SEC. 4. All provisions of the Act shall terminate five years from the date of enactment of this Act.

APOLOGISTS FOR RIOTS SHOULD NOT PROTECT THE INSTIGATORS

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. KUYKENDALL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. KUYKENDALL. Mr. Speaker, it has now become crystal clear to most Americans that the violence and riots which are tearing our cities apart are planned in advance and are incited by professional riotmongers for devious purposes. At long last the Federal law enforcement agencies have been forced to label one H. Rap Brown as one who caused a riot in Cambridge, Md. And, at long last, Stokely Carmichael has come out in the open to reveal his connections by showing up in Communist Cuba to confer with Fidel Castro. Those who have insisted there is no Communist influence in the pattern of violence which is sweeping the country should take another look at those who are generating the riots and leading the burning, looting, and murder.

The well-known columnist, Morrie Ryskind, has pointed out the danger in apologizing for these agitators. I commend the following article by Mr. Ryskind which appeared in last Sunday's edition of the Memphis Commercial Appeal:

NEW CIVIL RIGHTS? YES, FOR PEACEFUL

(By Morrie Ryskind)

I still hold that "like" is a preposition, not a conjunction; but I concede the vitality of the favorite phrase of today's rebels: "Tell it like it is, man."

Well, let me try telling it like it is—and it ain't very pretty. Defense Secretary Robert McNamara doesn't like our pacification program—and neither do I. The difference is that he refers to Vietnam, and I to the home scene.

Who are we to demand pacification of the Mekong Delta, when shooting and looting mobs run riot in Newark? Just as they did recently in Hartford, Buffalo, Tampa and Cleveland.

In Washington, the cops now provide escort service (with police dogs) for Capitol Hill secretaries who work late at night. In New York's highly touted "cultural" Lincoln Center, residents of the area are warned to take taxis after dark rather than risk walking the few blocks to the subway station.

Here in Los Angeles, there was a fire just a few weeks ago in the Watts area—and hoodlums turned out to hurl rocks and Molotov cocktails at the firemen. It probably didn't make the out-of-town papers, since no one was killed.

And what do those brilliant politicos who reaped this whirlwind by encouraging "demonstrations" now suggest? Why, a new civil rights bill—though we've had more civil rights legislation in the last dozen years than in the preceding hundred years. I take it this is on the theory that a hair of the dog that bit you will cure you.

Well, I'm for a civil rights bill, too—one that will protect the law-abiding citizen from being shot at, mugged and robbed.

Now I am fully aware that the vast majority of Negroes deplore this situation as much as the rest of us—perhaps even more. But it is high time they find spokesmen to make that point clear, before every last vestige of hope for amity between the races disappears altogether.

Certainly none of the so-called leaders have denounced this Mau-Mau movement in forthright terms. The NAACP passed a weak resolution condemning violence, but the Newark toll (at this writing) of 25 deaths, 1,500 wounded, and more than 1,000 jailed called for more than a slap on the wrist.

Even Senator Brooke of Massachusetts, living proof that a Negro can make it, joined the demagogues by telling the NAACP more riots would come unless something was "done." What needs to be done is simply that other Negroes display the ability of Mr. Brooke. Or must the whole Senate be made

up of Negroes, regardless of qualification, before the "moderates" are satisfied?

In a television interview, Roy Wilkins refused to label Stokely Carmichael as dangerous. In Washington, Carmichael urged Negroes not to go to Vietnam, but use their guns against the cops. During a Southern tour, he said, "We should be out right now bashing heads in." Still, Mr. Wilkins refuses to go so far as to call Stokely "dangerous."

And where are the hordes of ministers who participated in the "civil rights" marches? Or is mob violence only reprehensible when committed by white supremacists and thoroughly justifiable under black supremacists? That is racism with a vengeance.

That position is apparently the stance of this Administration. After the terrible Watts riots, Federal money poured into that community to improve the lot of the marauders. But the white merchants whose life savings were wiped out by the looters got not a penny from the Government.

Mr. Wilkins argued that Negroes are bitter because Adam Clayton Powell was stripped of power. There was a savagely ironic cartoon by Bill Mauldin the other day showing a cop chasing a fugitive and shouting, "Stop in the name of the law! Unless, of course, you're a member of a minority group."

It was brilliant—but too close to the truth to be funny, McGee.

ANTIRIOT LEGISLATION

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, last week the House passed the antiriot bill. While I supported the bill, I realize that it is not a cure-all for the types of riots and disorders we have been experiencing this year.

On July 13 and 14, radio station WHO in Des Moines, Iowa, expressed in an editorial a viewpoint that parallels mine.

Antiriot legislation is by no means the entire answer to the racial violence that has become more and more common, but it is part of the answer. Not all of the riots are as spontaneous as they appear on the surface; in some, skilled agitators have carefully cultivated the hatreds in a community to set the stage for a violent outbreak. There have been reports that recent violence in Waterloo, Iowa, may have been led by outside agitators.

Such agitators, of course, don't create all the hatreds; the hostility is already there, most of it stemming from real injustices. We have to deal with these injustices in any long-term approach to ending racial hatred and violence. But we're also going to have to deal with people who want to use those hatreds for their own purpose to create civil disorder. The antiriot legislation would be a big step in that direction, by curbing the movement of agitators across state lines.

JOINT COMMITTEE TO INVESTIGATE RIOTS AND CIVIL DISORDERS

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentlewoman from New Jersey [Mrs. DWYER] may extend her remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mrs. DWYER. Mr. Speaker, I have today introduced a concurrent resolution to establish a joint committee to investigate every aspect of the riots and civil disorders which have swept so many of our cities—both big and little—and reached such a peak of destruction this summer.

It is not only appropriate, it is essential that Congress devote immediate and thorough attention to events which have imperiled millions of our people, of all kinds and conditions, and in every part of our country. This proliferation of civil strife has clearly surpassed the ability and resources of individual cities to deal with it. It has become a national problem of the first importance. And Congress, the National Legislature, must accept the responsibility to investigate, to study, and to act.

The joint resolution I have introduced, Mr. Speaker, is similar to that introduced in the Senate yesterday by three distinguished Members of that body, Senator DIRKSEN, of Illinois; Senator BROOKE, of Massachusetts; and Senator PERCY, of Illinois. It imposes a heavy burden on those Members of each House of Congress who will be appointed to serve on the joint committee. For service on the committee will demand unusual qualities of judgment, courage, dedication, and wisdom. The problem is immense and it is complex.

Under the terms of the resolution, for example, the committee will be called on to determine how widespread and destructive the riots have been, to learn whether organized conspiracy has been responsible for inciting, instigating, and supplying the disorders, and to discover and evaluate the causes of discontent, both those which touch off the conflagration and those which form its foundation. The committee must assess the effects of riots on our economy, on the life of our cities, and on the attitudes of the people who live there. It must judge whether our laws are adequate and our law enforcement effective when called on to deter, prevent, and control disorder. And the committee will be asked to recommend ways and means of improving our capacity to prevent riots in the first place, to control them when they occur, and to assist the victims.

It is a big order, Mr. Speaker, but a necessary one. We cannot allow our communities to be desolated or our people endangered. We cannot tolerate resort to violence for whatever reason. We cannot sit back and watch our country divided between black and white. We cannot be indifferent to suffering. We cannot punish the innocent and reward the guilty. It is justice we must seek more determinedly than ever—justice for all our people, whatever their color or class or condition, the justice that puts down evil and violence, helps the needy, and renders equity to all.

Mr. Speaker, the text of the concurrent resolution follows:

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 Amercans; 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 House of Representatives—(the Senate 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 House appointed by the Speaker, two of whom shall be members of the minority party appointed after consultation with the minority leader, and 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.

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 committee 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 subpena 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. Subpenas 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 House on vouchers signed by the chairman or vice chairman of the joint committee.

THE OUTLOOK FOR THE FINANCIAL MARKETS AND MANAGING THE FEDERAL DEBT

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, in his testimony before the Joint Economic Committee on June 28, 1967, Mr. Tilford C. Gaines, Vice President of the First National Bank of Chicago, offered a remarkably perceptive summary of the outlook for the financial markets in the last half of 1967.

Mr. Gaines summarized his remarks by saying that the outlook is "not at all encouraging." He expects interest rates to be subjected to unremitting upward pressure and the supply of credit to be insufficient to service all of the demands upon the market.

He recognizes that his assumptions may be too optimistic. A number of contingencies may arise which could darken the prospects for the credit markets. Among these are the possibilities of a recurrence of the 1966 "superboom," a tight money policy by the Federal Reserve, or, most important, a budget deficit larger than $14 billion.

It now appears likely that the budget deficit may indeed be larger than the administration estimates. Some estimates now range up to $29 billion. Thus, we should carefully consider Mr. Gaines' warning that the financial outlook for the balance of the year may be "extremely troublesome."

The House should have access to Mr. Gaines' excellent statement. It is an example of the kind of dialog which should be carried on between the administration and private economists. His conclusions emphasize how serious the economy's position is as we enter fiscal year 1968. The administration, on the other hand, has carefully avoided a serious dialog on the ominous outlook for the financial market if the budget deficit is not trimmed.

I insert Mr. Gaines' statement in the RECORD at this point:

STATEMENT BY TILFORD C. GAINES, VICE PRESIDENT, THE FIRST NATIONAL BANK OF CHICAGO, BEFORE THE JOINT ECONOMIC COMMITTEE OF THE CONGRESS, JUNE 28, 1967

The outlook for the financial markets in the last half of 1967 is not at all encouraging. Most rates of interest probably will be subject to unremitting upward pressure, and there may be insufficient credit available to service all of the demands upon the markets.

This forecast of continuing credit strain rests upon relatively optimistic assumptions. It is assumed that the acceleration in economic activity in the next six months will be moderate, yielding a gross national product for the year of only $779 billion. It is assumed that the deficit in the administrative budget will be of the order of $14 billion, much lower than some figures that have been mentioned. And it is assumed that the Federal Reserve System will continue its present policy of making abundant reserves available to the banking system. If any one or a combination of these assumptions should be wrong, it is likely that the error will be in the direction of underestimating the pressures on the credit markets.

Developments in the financial markets during the first half of 1967 have involved a paradox that is without precedent in our modern history. In spite of a progressively easier Federal Reserve policy that has supported a 5.4 per cent growth rate in the money supply and 12.8 per cent in total bank credit and in spite of the stagnant performance of the economy, interest rates on long-term investments have risen virtually to last summer's historically high levels. Before attempting to appraise the outlook for the remainder of the year, it is first necessary to explain this paradox and to appraise its significance for the months ahead.

The simple explanation for the present high level of long-term interest rates is that the demands upon the long-term capital market have been excessive relative to the available supply of long-term funds. In the first six months of this year, publicly offered corporate bond issues will total $7.7 billion as compared with $3.7 billion in the same period last year. Private placements are somewhat lower this year, but the total of public and private placements will be approximately $11 billion against last year's $8.4 billion—and 1966 was an all-time record year for corporate bond flotations. Tax-exempt state and local bonds sold so far this year total $7.6 billion, substantially more than last year's $6 billion, and 1966 was also a record year for municipal bond sales. Mortgage lending, the other principal user of long-term funds, has not been as large this year as in earlier years, but the shortfall in this area has not been sufficient to offset the excess demands on the bond markets.

There are two related reasons for the huge volume of bond financing this year. First, during the period of rapid business expansion between 1961 and 1965, as corporations committed ever-larger amounts of money for plant and equipment, inventories, receivables, and other purposes, there was not a proportionate increase in long-term financing. Corporations relied on bank credit and available internal liquidity to finance a larger and larger part of their outlays. Corporations began funding their debt during 1966, but the demoralized market conditions that developed after mid-year forced part of the debt restructuring and liquidity rebuilding over into 1967. Similarly, a number of tax-exempt borrowers were unable to complete their bond financing in the last half of 1966 because interest rates had moved above the statutory limits they were permitted to pay. This circumstance partly explains the flood of municipal bond issues this year.

A second reason for the large volume of corporate bond financing in 1967 has been the uneasiness and uncertainty created by the policy the Federal Reserve System adopted in the last half of last year. The period of extreme strain on the banking system last summer and fall made a number of corporate treasurers aware that a time could come when they would be unable to rely upon their banks for additional lines of credit to finance their activities. Funding of short debt in order to reduce reliance on banks and to free up bank lines became a matter of rather urgent importance.

Last year's credit "crunch" has also had an important impact upon the willingness of lenders to commit funds to long-term obligations. The savings and loan associations and mutual savings banks that suffered heavy attrition in their savings accounts when short-term market rates of interest rose above levels they were able or permitted to pay have been anxious this year to build a stronger liquidity base before aggressively seeking new mortgage commitments. A substantial part of the larger flow of savings into savings and loan associations thus far this year has gone to repay debt at the Federal Home Loan Banks and to add to holdings of short-term Government securities. Life insurance companies that found a surprisingly large proportion of their net funds going into policy loans when market rates of interest rose above the contractual loan rate in their policies have had less new money to commit this year. And commercial banks, in particular, have been reluctant to commit funds to long-term obligations after their experience in 1966. All commercial banks suffered attrition from their savings accounts as savers moved money into higher yielding marketable securities. And the larger banks that had relied upon negotiable certificate of deposit money were particularly hard hit last fall when the Federal Reserve System failed to change its Regulation "Q" to permit banks to compete for this money and some $3 billion of these deposits were

lost to other marketable instruments. Throughout the commercial banking system there is a deep awareness of the need to rebuild liquidity in order to protect against a recurrence of last year's events, with the result that the larger flow of savings money into the banks this year has been used for short-term liquidity purposes rather than for longer-term credit commitments.

In economic terminology, what we have witnessed has been a sharp upward shift in the liquidity preference functions of both suppliers and users of funds. The inevitable result has been relatively low short rates and unusually high long rates. This is a situation that the ordinary instruments of Federal Reserve policy are not equipped to deal with. Supplying additional reserves to the banking system, lowering the discount rate, and lowering reserve requirements have helped to feed the economy's insistent liquidity needs, but their effect has been almost wholly on the short-term market and only marginally on the long-term market. Recognizing this fact, and partially in recognition of the responsibility they share for the liquidity preference shift, the Federal Reserve System has purchased a substantial amount of longer-term coupon securities in its open market operations. The net result has been to supply longer-term funds to the market in the only way the Federal Reserve can; but the sporadic timing of these purchases had undermined their effect upon market confidence and vitiated the stabilizing influence that they might have had on the bond market.

It now appears that the flood of corporate and tax-exempt bond issues during the last half of 1967 may be as large as during the first half. The corporate bond calendar for July already totals $1.5 billion and for August is an excess of $1 billion. Both months could be larger than these indicated amounts as new issues are announced. Meanwhile, my contacts with corporate officials suggest that a very large backlog of potential new issues exists and that these issues will be registered and brought to market in a steady stream through the balance of this year. It is not possible to be absolutely sure of the timing, but it seems reasonably sure that at least $4–4½ billion of public issues will come to market in the third quarter and perhaps $3–3½ billion in the fourth quarter. These estimates suggest a total of public bond offerings of some $15 billion in 1967, which compared with last year's record $8 billion. The total of publicly and privately placed issues in 1967 could well reach $21 billion, which compares with a record $15.6 billion in 1966. There also is little reason to expect the supply of new tax-exempt bonds to decline. Sales of state and local bonds for new capital purposes might average something more than $1 billion per month, for a 1967 total of $13–14 billion, which compares with last year's record $11.2 billion.

The outlook for commercial bank credit expansion is not at all clear. During the first five months of this year commercial banks added to their loans and investments by about $7½ billion, of which some $6 billion represented purchases of "other" securities, principally tax-exempt bonds. If this rate of expansion in earning assets were to continue through the balance of the year, allowing for a seasonally more rapid increase in loans during the last half, total loans and investments in commercial banks would increase by approximately $28–30 billion, equally divided between loans and investments. It does not seem likely that this rate of expansion will, in fact, be attained.

If one could logically extrapolate the seasonally adjusted deposit growth during the first five months of 1967 to an annual total, the growth in bank resources would easily support a $28-30 billion growth in bank assets. Time deposits would grow by $28 billion and demand deposits by $8 billion; but such an extrapolation would be an illogical use of statistics. Approximately $3.5 billion of the $14 billion growth in time and savings deposits thus far this year has been in negotiable certificates of deposit at the larger banks, and it does not seem likely after last year's experience with negotiable certificates that the banks will continue to add to the total at this rate. In fact, most of the growth in large certificates of deposit was achieved in the first two months of 1967, as banks replaced funds that had been drained off last fall, and the total of such certificates outstanding has been relatively flat since the end of February. Of the remaining $10.5 billion growth in time and savings deposits, much the larger part has been in savings certificates, which reflects the recapturing of savings deposits lost to higher-yielding marketable investments last year and thus is a "one shot" windfall. Banks have used this windfall principally to add to their holdings of short-term, tax-exempt bonds and other relatively liquid investments.

My own guess is that bank credit this year will grow by about $25 billion, of which perhaps $14 billion will be in loans of various types and the balance in investments. Time and savings deposits may be up by about $20 billion and demand deposits by $5 billion.

It might be worth noting in passing that the available data suggest that the larger commercial banks have thus far not made too much progress in building their true liquidity to guard against another credit squeeze such as that of last year. Based on data for the banks that report weekly to the Federal Reserve System, including all the larger banks and accounting for about half of all commercial bank assets, the liquidity position at the end of May was little changed from a year earlier. Total deposits had grown by nearly $10 billion, while loans were up by only $3.5 billion. However, $1 billion of the deposit growth was in large negotiable certificates of deposit and $8 billion was in "other" time deposits, principally savings certificates issued to individuals. While the deposits represented by the savings certificates should not be considered quite as "hot" as the negotiable certificates of deposit, they certainly are "hotter" than passbook savings deposits and demand deposits. In large part, this growth in savings certificates represents the interest-sensitive money that was transferred out of savings accounts and savings and loan shares last year when market rates of interest became irresistibly attractive and which could move promptly out of the banking system and into marketable investments if rates of interest were again to offer the same inducement.

The largest imponderable in assessing the financial outlook for the balance of this year is Treasury financing. For purposes of arriving at an estimate of the Treasury's cash requirements, it has been assumed that the administrative budget deficit for 1968 might be $14 billion, with a surcharge of 6 per cent on individual and corporate income effective as of January 1, 1968. If this rather modest assumption should prove to be correct, it appears that the Treasury will have to sell approximately $18 billion of direct debt obligations between July and December and $2 billion of participation certificates, for total Treasury cash financing in the last half of 1967 of about $20 billion. Assuming that the Federal Reserve System and the Treasury trust funds in combination purchase $4 billion, the residual amount to be absorbed by other investors will be about $16 billion. The cash flow of nonfinancial corporations may permit them to purchase $8 billion of the total increase in the debt, and commercial banks might add $3 billion or so to their holdings of Government securities. The balance of $5 billion will have to be absorbed by other investors.

Given the anticipated size of Treasury financing in the balance of this year and the expected pressures on the bond market, it seems inevitable that the bulk of the financing will be in short-term obligations such as tax anticipation bills and other bills or notes in the one to two year maturity range. The Treasury will no doubt make every effort to place as much as possible of the direct debt and the participation certificates in intermediate or long maturities, but it does not seem too likely that the Treasury will be able to do more than a nominal amount of financing in this maturity area.

The tables which accompany this statement provide greater detail on the outlook for financial flows during 1967. In conclusion, I would like to suggest some implications of the financial outlook for the balance of this year as I have outlined it.

First, the volume of Treasury financing in short-term obligations in the next few months will almost surely drive all short-term interest rates significantly higher. The low level of Treasury bill rates in recent months has been due partly to the economy's drive for liquidity and partly to the fact that the U.S. Treasury and the Government agencies have, on balance, been retiring short-term debt. If the steadily large supply of new short-term Government securities is accompanied by an improvement in automobile and other durable goods sales, leading to an accelerated increase in finance company paper outstanding, and if commercial bank loan demand should expand faster than anticipated, leading to an increased supply of certificates of deposit in the market, the projected increase in short-term interest rates could be quite substantial.

A corollary of this short-term interest rate outlook is the possibility that these market rates might rise to a point that would induce a flow of savings funds out of the financial institutions—disintermediation—similar to that which occurred last year. Were this to happen, the financial outlook for the balance of this year would be extremely troublesome. However, so long as the Federal Reserve discount rate remains at 4 per cent, it should serve to anchor short-term bill yields at a level no higher than 4½ per cent, with yields on other instruments scaled up from that level to perhaps a maximum of 4¼ to 5½ per cent on U.S. Government agencies and commercial paper, a range of rates that should not result in substantial withdrawals from the savings intermediaries. Still, given the potential volume of short-term financing in the next six months, at least some concern over the prospect of renewed disintermediation is justified.

Another conclusion implicit in my analysis is that the pressure of borrowing demand upon the bond markets will probably prevent any significant decline in long-term interest rates from present historically high levels. The demand for capital funds is so intense that further interest rate increases from present levels are a possibility, but it seems more likely that the extraordinary high rates now prevailing will tend to discourage some borrowing and thus prevent long-term interest rates from rising much above present levels. In this connection, a good deal will depend upon the policies followed by the Federal Reserve System. A program of steady, week-by-week purchases of long-term Government securities by the Federal Reserve would be most useful in stabilizing the long-term market and, if offset by sales of Treasury bills, would have no inflationary effect upon money supply or commercial bank credit.

Also, my analysis and the supporting tables suggest that loanable long-term funds will not be available to finance a major recovery in residential construction. My estimates suggest that the net growth in mortgage credit this year may be of the order of $20 billion, approximately equal to last year and consistent with a total of housing starts in the

neighborhood of $1.2 to $1.3 million. Of course a number of other influences such as the availability of intermediate credit lines and the availability of construction labor will have an effect upon the performance of the housing industry. Ultimately, however, any given level of residential construction can be achieved only if the funds are available to finance the homes, and my analysis suggests that the competition from the bond markets will limit the supply of funds available for mortgages.

I should conclude by pointing out that if my assumptions prove to be too optimistic, the outlook for the credit markets could be even more ominous than I have suggested. If economic growth should assume boom proportions, if the budget deficit should be as huge as some forecasts suggest, or if a sizable tax surcharge is not enacted, more serious problems could arise. The Federal Reserve System might find it necessary to move away from the easy policy I have assumed, and the result of additional credit demands in a setting of credit restraint could create almost intolerable pressures on the credit system.

TABLE 1.—SUMMARY OF FINANCIAL FLOWS

[FR flow of funds data in billions of dollars]

	1961	1962	1963	1964	1965	1966	1st quarter, 1967 seasonally adjusted annual rate	Forecast, 1967
Funds raised by nonfinancial sectors, total	44.2	54.2	58.5	67.0	72.1	71.1	70.1	80.0
U.S. Government securities	7.7	7.9	5.0	7.1	3.5	6.7	10.6	12.0
Foreign loans and securities	2.6	2.1	3.3	4.4	2.6	1.4	−.8	2.0
Consumer credit	1.7	5.5	7.3	8.0	9.4	6.9	4.8	6.5
Bank and other loans	3.7	7.8	8.2	10.7	18.3	17.7	14.4	15.0
Municipal securities	4.9	5.0	6.7	5.9	7.4	5.9	9.8	8.5
Corporate securities	7.1	5.1	3.6	5.4	5.4	11.4	14.5	16.0
Mortgages	16.6	20.9	24.4	25.6	25.5	21.0	16.9	20.0
Sources of credit, total	44.2	54.2	58.5	67.0	72.1	71.1	70.1	80.0
U.S. Government lending and change in cash balance	2.6	4.6	2.3	4.0	3.7	7.0	−1.5	6.0
Private insurance and pension reserves	8.6	9.0	10.1	11.1	11.6	12.8	12.8	14.0
Other	6.7	6.2	6.6	7.9	7.8	7.1	−1.8	5.0
Private domestic nonfinance sector	26.3	34.4	39.5	44.1	48.9	44.2	60.6	55.0
Demand deposits and currency	3.8	2.1	5.9	6.5	7.8	2.9	7.6	7.0
Time and savings	20.2	28.1	28.5	28.8	32.6	19.6	48.7	36.0
Commercial banks	9.0	15.0	13.4	13.0	19.5	12.3	32.4	20.0
Savings institutions	11.2	13.0	15.1	15.8	13.1	7.3	16.4	15.0
Private credit market instruments	4.1	2.5	2.3	7.8	6.1	13.3	17.0	7.0
Other	−1.8	1.7	2.8	1.0	2.4	8.4	−12.7	5.0

TABLE 2.—CASH FLOW OF CORPORATE NONFINANCIAL BUSINESS

[FR flow of funds data in billions of dollars]

	1961	1962	1963	1964	1965	1966	1st quarter, 1967 seasonally adjusted annual rate	Forecast, 1967
Sources of funds, total	54.5	63.3	65.9	70.6	88.0	96.1	98.2	96
Net savings and inventory valuation adjustment	10.1	12.6	13.1	18.1	20.2	21.2	18.8	19
Capital consumption	25.4	29.2	30.8	32.8	35.1	37.5	39.0	40
Bonds	4.6	4.6	3.9	4.0	5.4	10.2	14.1	15
Stocks	2.5	.6	−.3	1.4	0	1.2	.4	1
Mortgages	1.8	2.9	3.5	3.3	3.2	2.1	2.0	2
Bank loans, not elsewhere classified	.1	2.5	2.9	3.6	9.3	7.7	4.6	5
Trade debt	6.6	4.4	6.0	3.4	7.3	7.7	6.2	6
Other	3.4	6.5	6.0	4.0	7.5	8.5	13.1	8
Uses of funds, total	54.7	63.2	65.9	70.5	88.1	96.2	98.1	96
Fixed investment	35.5	40.0	42.3	47.8	55.1	62.3	65.0	65
Charge in inventories	1.5	4.7	4.3	4.4	6.8	10.9	5.5	5
Trade credit	10.0	8.2	8.5	9.1	13.7	10.9	6.7	8
Liquid assets	3.5	4.1	4.3	.7	.6	1.1	9.4	10
Demand deposits and currency	1.7	−.9	−.8	−2.5	−.9	.7	1.7	1
Time deposits	1.9	3.7	3.9	3.2	3.9	−.7	10.0	4
U.S. Government securities	−.2	.5	.5	−1.4	−2.1	−1.2	−9.7	3
Open market paper	.1	.9	.7	1.5	.7	2.3	7.3	2
Other	4.5	4.6	6.4	5.2	11.2	8.4	9.4	8
Statistical discrepancy	−.3	1.6	.1	3.3	.7	2.6	2.1	

TABLE 3.—CHANGES IN ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES

[In millions of dollars]

	May 1966, to December 1966			December 1966, to May 1967			May 1966, to May 1967			Forecast, 1967—All banks
	New York City and Chicago	Other Reserve city	All other	New York City and Chicago	Other Reserve city	All other	New York City and Chicago	Other Reserve city	All other	
Loans and investments	2,963	3,835	7,022	−109	2,716	5,063	2,854	6,551	12,085	25,000
Loans	2,241	3,014	5,415	−1,044	−657	3,151	1,197	2,357	8,566	14,000
U.S. Government securities	926	1,084	40	623	22	−585	1,549	1,106	−545	4,000
Other securities	−204	−263	1,567	312	3,351	2,497	108	3,088	4,064	7,000
Demand deposits, adjusted	1,388	4,356	3,906	−327	−3,175	−1,286	1,061	1,181	2,638	5,000
Time deposits	−2,521	1,690	4,121	2,282	6,234	5,564	−239	7,924	9,685	20,000
Savings	−437	−1,107	(1)	−22	271	(1)	−459	−836	(1)	4,000
Large negotiable C/D's	−2,262	181	(1)	1,734	1,730	(1)	−888	1,911	(1)	5,000
Other	538	2,616	(1)	570	4,233	(1)	1,108	6,849	(1)	11,000

[1] Not available.

TABLE 4.—SOURCES OF MORTGAGE CREDIT

[FR flow of funds data in billions of dollars]

	1961	1962	1963	1964	1965	1966	1st quarter, 1967 seasonally adjusted annual rate	Forecast, 1967
Net change in assets, total	16.9	21.3	25.0	25.4	25.4	20.0	17.5	20.0
1- to 4-family properties, total	11.8	13.4	15.7	15.4	16.0	11.6	11.1	12.7
Mutual savings banks	1.7	2.1	2.6	2.7	2.7	1.7	2.0	2.0
Savings and loan associations	7.0	7.4	9.3	8.0	7.6	3.3	3.4	5.7
Life insurance companies and private pension funds	1.1	1.0	1.3	1.9	1.8	1.6	1.8	1.5
Commercial banks	.8	2.0	2.7	2.3	3.1	2.6	1.4	1.5
U.S. Government	.2	.1	−1.2	−.2	.4	2.5	1.2	2.0
Other	1.0	.8	1.0	.7	.4	−.1	1.3	0
Other mortgages, total	5.1	7.9	9.3	10.0	9.5	8.5	6.4	7.3
Mutual savings banks	.6	1.0	1.3	1.7	1.4	1.1	1.0	1.0
Savings and loan associations	1.7	2.6	2.9	2.4	1.3	.4	.2	.3
Life insurance companies	1.5	2.1	2.7	3.2	3.7	3.6	3.3	3.5
Commercial banks	.8	1.9	2.2	2.2	2.5	2.4	.9	2.0
U.S. Government	.4	.3	.2	.4	.6	.9	1.0	.5
Other	.1	0	0	.1	0	0	0	0

THE ADMINISTRATION'S FOREIGN INVESTMENT POLICY: THE PERILS OF AD HOCCERY

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, the last two administrations have sought ad hoc relief for America's balance of payments deficit. Instead of actively seeking fundamental cures, they have accepted palliatives which, because they attack the symptoms rather than the causes, are ineffective and unwise.

In an excellent article in the fall, 1965 edition of the Columbia Journal of World Business, Jack N. Behrman, former Assistant Secretary of Commerce for Domestic and International Business, catalogs the perils of this ad hoc approach. He also offers several policy objectives in this area and recommends ways to implement them.

Mr. Behrman argues that the administration's programs to discourage private investment abroad are often dangerous and self-defeating. They rest on the tenuous factual assumption that foreign investment worsens our payments balance. It does not. In 1963, receipts accounted for by foreign manufacturing affiliates exceeded payments by $2.4 billion.

Instead of moving to choke off foreign investment in developed nations, the Government should take a more constructive tack. We should aim at making U.S. business more fully competitive with its overseas counterparts. Our policies must be changed in several areas in order to realize this goal.

Mr. Behrman recognizes that some institutional changes in both the Government and business are necessary to bring these new policies to fruition. He recommends that the Undersecretary of State for Economic Affairs coordinate the activities of all the agencies responsible for international affairs. He further suggests that a Special Assistant to the President be appointed with responsibility for foreign economic policies. We also need a single channel through which business interests on these issues could be communicated to Government.

Mr. Behrman's article deserves careful attention. Not only does he criticize the foundation of the interest equalization tax and the other ad hoc measures we now have, but he also presents a number of provocative policy recommendations. His article is directed toward finding a fundamental solution to our balance-of-payments difficulties. I wish the administration was as creative and as thorough in its proposals as Mr. Behrman is in this article.

I insert this article in the RECORD at this point.

FOREIGN INVESTMENT MUDDLE: THE PERILS OF AD HOCCERY

(By Jack N. Behrman)

(NOTE.—As Assistant Secretary of Commerce for Domestic and International Business from 1962 to 1964, JACK N. BEHRMAN was one of the U.S. Government's chief advisors on questions of international trade and investment. Now Professor of International Business at the University of North Carolina, he nevertheless retains something more than an academic interest in key policy problems.)

For most of the postwar period the U.S. Government was an eager promoter of private foreign investment while the business community maintained a go-slow attitude. Despite the institution of a government program of investment guarantees in 1948, private U.S. direct outlays averaged only $700 million a year during 1947–1955, mostly to Canada and Latin America. This was well below the desired level of $2 billion. In 1956 and 1957 the outflow soared to $2 billion and to $2.5 billion, respectively—mainly as a result of European recovery and the purchase of Venezuelan oil concessions—only to drop back to just over $1 billion in 1958.

By the early 1960's, however, business began a mild scramble to "go foreign," and direct investment, buoyed by substantial European outlays, climbed sharply. Yet just as the effusian began to approach the postwar target levels, the signals were changed: the business community was in effect told to adopt two poses—to concentrate its investment in the developing nations and restrain itself in the industralized countries. The principal avowed reason for this switch: the stubborn balance-of-payments problem.

It is characteristic of the Government's approach to the question of direct investment that little thought was given to whether this Janus-like attitude is really viable. In point of fact it is not, and won't become so even if Congress passes the proposed 30% tax credit on investment in less-developed areas.

Few U.S. manufacturing companies begin their foreign operations in the developing countries; they get their feet wet in safer waters. Dampen the initiative to enter or expand operations in industrialized nations and you reduce the volume of funds potentially available for outlays in the less-developed countries. On the other side of the coin, the willingness of governments of developing countries to permit expansion in their private sectors, as well as to welcome foreign investors, may be cooled by the recent posture of the U.S. government. Opponents of private investment in the host countries can now attack more freely, asserting that U.S. investors cannot be counted on to continue to assist in development after the economy is no longer classified as "less developed." While such arguments may not be logical or supportable, they can be effective. Constraint on investments in one area, therefore, will undoubtedly have repercussions in other areas.

MISINFORMATION IS RIFE

This basic inconsistency in the government approach to overseas investment should surprise no one. We can hardly expect all policy makers to understand the relationship between investment in the developed and less-developed worlds when many have failed to grasp the connection between overseas investment as a whole and the nation's international balance sheet. Despite incessant exhortations from those intimately involved and better informed, many in Congress, the Executive, the press and elsewhere persist in regarding foreign investment as a kind of dispensable luxury. Cut down the capital outflow and you can just about eliminate the deficit and, as a side benefit, stop the drain of U.S. jobs overseas, runs the argument in its most extreme form. And while only the most naive offer such a patently absurd comment, many who should know better share something of this psychology.

In point of fact, these people may have other reasons for seeking to cut down foreign investment, but they have seized on our adverse payments situation as a major "cause célèbre." Instead of bothering to establish the preconditions (including the filling in of yawning lacunae in the data) for an intelligent and long-term policy toward a key debit item—the capital outflow—and a key credit item—the return of earnings—they are reacting ad hoc with proposals that are often dangerous and self-defeating.

It is therefore appropriate to reemphasize two oft-stated but little-understood truths: (1) investors often do not choose to move abroad; they go because they have to if they wish to preserve their markets; and (2) for-

eign direct investments pay their way in a balance-of-payments sense—over the long-term, to be sure, but often in the short range as well.

The available evidence suggests that American manufacturers try to hold on to foreign markets by exporting to them for as long as possible. Few enjoy the risks and the high initial cost of establishing operations abroad. When the manufacturer decides to move abroad it is usually because changes in relative costs, political conditions, foreign exchange controls or import quotas, among other things, make it impossible for him to continue to service his overseas market through exports.

WHY COMPANIES GO FOREIGN

Say that the foreign market has grown large enough so that it is now economic to set up a plant there. Say further that the local citizens would more readily accept the product if it were produced in their own country and that they are anxious to avail themselves of the income- and employment-generating benefits of local production. Add that the foreign country may now be part of an economic union that has sharply pared tariffs among its members while maintaining barriers against outsiders. And note finally that the host country may be experiencing balance-of-payments difficulties that force it to conserve precious dollars by slicing so-called unnecessary imports for some time to come. Weigh all these considerations and you form an idea of why "going foreign" is practically an imperative for many American companies. It is not a question of going or not going but of getting there and establishing oneself ahead of the competing German, British or French firm.

REFLOWS START IMMEDIATELY

Once having established itself overseas to service a market that has become relatively inaccessible to similar U.S. exports, the subsidiary immediately starts to offset the unfavorable payments effects of the initial outflow by purchasing U.S. capital equipment, raw materials, components, management and technical services, etc. And although some of these goods and services are available locally, particularly in industrialized countries, most have to be imported from home.

According to an extrapolation from a representative sample of companies by the U.S. Department of Commerce, it would appear that domestic firms sent about $5 billion worth of goods to foreign affiliates of U.S. companies in 1963—23% of all U.S. exports.[1] U.S. manufacturing firms accounted for $4.4 billion of this total, of which $3.2 billion went to overseas manufacturing facilities. On the other hand, direct overseas outlays amounted to only $1.9 billion in 1963, and investment in manufacturing facilities totaled $700 million. If we confine ourselves to the data reported by the sample companies without extrapolation, we find that U.S. exports to all overseas affiliates in 1962 and 1963 were 50% greater than the total capital drain to these companies.

However, these figures do not tell the whole export story. It is well known that foreign investment stimulates the economy of the host country, raising incomes and consumption. Part of the resulting additional sales are made by U.S. subsidiaries, but an undetermined amount undoubtedly represents increased U.S. exports that are not channeled through overseas affiliates.

Offsetting these export advantages is the fact that foreign subsidiaries may produce goods that (1) displace U.S. exports in third markets and (2) are imported into the United States to compete with domestic production. The impact of point 1 is not fully known and may be substantial, but it is also clear that when exports to former U.S. markets are made by or through a subsidiary, it is not because the parent wishes to give up the market. It would, in the main, prefer direct sales for U.S. dollars and will permit a subsidiary to service a third market only under economic or political pressure.

LITTLE COMPETITION WITH DOMESTIC GOODS

The effect of the second point is often greatly overstated. Of the $31.3 billion in foreign manufacturing affiliate sales in 1963 only $1 billion worth were sold to the U.S.,[2] and 80% of this consisted of semi-finished products for further processing (mostly from Canada and Latin America). The $1-billion figure is about the same as in 1962 (despite the fact that overall foreign manufacturing affiliate sales rose 13%) and was not much different from the 1957 amount. Moreover, domestic producers probably would not have been able to service the market supplied by these U.S. foreign subsidiaries, and, in consequence, many of the orders for goods produced by U.S. foreign affiliates may well have been filled by foreign firms if domestic companies had not set up operations abroad. This is so even for the finished manufactured imports of $200 million, of which half were automobiles. Given the growing American preference for European-type cars, it is doubtful whether American-built autos could have been able to hold this market in the face of vigorous competition from European-owned producers. In addition, many imports are noncompetitive with U.S. production, while others (e.g., parts and components) may help the U.S. export effort by lowering the cost of production of final products.

Besides stimulating exports, foreign investment contributes significantly to a positive payments balance by repatriation of earnings. From 1950 through 1963, repatriated earnings exceeded net new direct foreign investment by over $12 billion. There are two principal reasons for these favorable returns: (1) foreign investments have been profitable (earnings on manufacturing investment in Europe averaged 12% of total book value of investment in 1962 and 1963, but were 17% in the 1957–1960 period and about 19% in 1954 and 1955) and (2) over half of these earnings (in the developed countries) have been returned to the parent.

Combining the earnings and export effects of foreign outlays, we obtain the following interesting balance. In 1957, receipts (i.e., remittances, royalties and direct exports received from U.S. firms) accounted for by foreign manfacturing affiliates exceeded payments (i.e., imports into the U.S. and capital outflow) by $1.2 billion; by 1963, the positive balance had doubled—to $2.4 billion.

THE PAYOUT PROBLEM

While it seems incontrovertible that foreign investment pays for itself in the long run, one is reminded of J. M. Keynes' famous remark: "In the long run we are all dead." Obviously it makes a great deal of difference to the stability of the U.S. dollar whether the "payout" period on a given foreign investment is five, ten or twenty years. As long as the financial transfer inherent in a capital outflow exceeds the flow of real resources and the reflow of foreign remittances, the possibility exists that a superabundance of dollars will find their way to foreign central banks to be presented to the U.S. for payment in gold.

The U.S. Treasury constructed a number of models in 1961 and 1962 to demonstrate its case that foreign investment in European manufacturing facilities has an unconscionably long payout period. The first models maintained that the payout period was about fifteen years, but after subsequent refinements, this was reduced to seven years. Data on company operations published late last year by the Department of Commerce enable us to take a fresh look at these calculations and the results are startling, to say the least. Let us consider the payout period (so far as the balance of payments is concerned, *not* in terms of the company's own accounts) on a $10 million investment in Europe.

If the venture is an entirely new one, the actual U.S. dollar outflow may be as much as 40% of the total investment, with the rest financed through overseas borrowing; if merely an expansion of an existing investment, the outflow is likely to be about 20%–25% of total capital expenditures and the remainder will be financed through retained earnings and depreciation allowances, as well as foreign-source borrowing.[3] Thus, at the worst, we get an initial debit item of $4 million on the $10 million investment. Since company practice indicates that something like 15% of European subsidiary purchases of capital equipment, which normally total about one-half of the overseas investment, are made in the U.S., there is an offset of about $0.8 million (15% of 50% of $10 million) even before production abroad actually begins.[4] This reduces the outflow to about $3.2 million. According to Commerce figures, annual U.S. exports of materials, parts and finished goods (other than capital goods) to foreign affiliates in Europe average close to 5% of affiliate sales, and these, in turn, are usually about 2½ times total investment. Thus 5% of $25 million (2½ × $10 million) gives us a $1.25 million export credit each year. Adding annual repatriated earnings of $240,000 (6% of investment—as noted, European investment earns 12% of book value and at least half is remitted home), we get a balance-of-payments return of close to $1.5 million of the initial investment.

Within about two years, therefore, the capital outflow will have been paid for in a balance-of-payments sense, even assuming a 40% initial contribution of U.S. funds. (Of course, in these calculations we have made no mention of the additional export sales that may be made during the "start-up" period either because of intensified company efforts to widen the market or because foreign customers become less uneasy about purchasing imports when they know that a domestic source of supply will soon be available. Also, we have not included the indirect export stimulus resulting from the income-generating effects of the affiliate's presence in the host country, although this may amount to about 1% of the affiliate's sales. Nor, have we counted, on the debit side, the effects of imports sent back to the U.S., since such sales from U.S.-European subsidiaries have not risen significantly, despite expansion of U.S. investment to this area.)

A SELF-DEFEATING POLICY

The foregoing suggests that the Government's policy of discouragement of foreign outlays in the developed world rests on a somewhat tenuous factual foundation. Obviously, if one excludes the less-developed countries, the maximum conceivable benefit of a restrictive investment policy would be the discontinuance of the outflow to the industrialized countries, or about $1.5 billion—equal to nearly half the payments deficit. But once the outflow dries up, overseas subsidiaries would slow down the repatriation of earnings and employ them instead of expansion. This, together with a drop in exports associated with new overseas ven-

[1] Fred Cutler and Samuel Pizer, "U.S. Trade With Foreign Affiliates of U.S. Firms," *Survey of Current Business*, December, 1964, pp. 20–26.

[2] Fred Cutler and Samuel Pizer, "U.S. Firms Accelerate Capital Expenditures Abroad," *Survey of Current Business*, October, 1964, pp. 5–12.

[3] *Ibid.*

[4] If the investment is an expansion of old facilities, the *initial* return is greater in relation to the dollar outflow, e.g., an outflow of $2 million is offset by immediate purchases of nearly $1 million.

tures, would probably wipe out the entire benefit. Even if it did not, a partial restriction, i.e., of outflows to only industrialized countries, is almost impossible to administer, requiring not only the licensing of capital but also control of export proceeds and the cooperation of foreign governments. Moreover, since exporting leads to licensing or investment when the foreign market is sufficiently developed, any constraints on investment would adversely affect the Government's export drive. Support of the drive can be expected to wane to the extent that businessmen feel they are developing markets that would only have to be given up later—either to indigenous or to other foreign producers.

Instead of moving to choke off foreign investment in developed nations, the Government would do well to take a more constructive tack to the payments problem—one that would take full account of the long-run strength of the U.S. position. Such an approach should aim at making U.S. business fully competitive with its overseas counterparts and guaranteeing that its contributions to the balance of payments are maximized. If this approach is to be adopted, the Executive must make sure that the policies of various governmental agencies are subordinated to the overriding exigencies of foreign economic policy. Let me note some problem areas and offer a few remedial suggestions.

A continuing complaint by U.S. business has been that its interests are not adequately represented abroad by our embassies. The Kennedy Administration recognized that commercial activity had a relatively low priority in the embassies, and strove to pay more attention to export interests. But business has felt that neither its investment interests nor its role in foreign economies has been fully appreciated by the embassy staffs. Only in exceptional cases is there a close working relationship between embassy officers and U.S. businessmen overseas. Nor have U.S. ambassadors in general gone far in supporting U.S. business in difficult negotiations or discussions with foreign governments—contrary to the practice of governmental representatives of other countries. While governmental help is more important in the developing countries, the pressures in some of the industrialized nations make official counterpressure at times essential.

To obtain a better understanding of how business views opportunities and obstacles overseas, all appropriate embassy officials should establish a close, day-to-day working relationship with local U.S. businessmen. Such an understanding would facilitate the satisfactory handling of conflict situations overseas and provide guidance for business-government cooperation in the foreign country.

A second sore point is industrial property rights (patents, trademarks, trade secrets, know-how, etc.). The Government's general support of these rights in industrialized countries is weakened by its position on commercial exploitation by companies developing those rights under government contract. Until recently, the Government has usually retained title, even when the invention or development has commercial uses; it then has given the rights away to foreign governments for exploitation by a foreign company, thus destroying normal commercial relations. The foreign company, in turn, is free to move into a third market without paying royalties to the U.S. It is estimated that we have lost something over $100 million a year on our balance of payments through this giveaway. And although this situation has been partially corrected (the Department of Defense and other agencies are now permitting the contracting U.S. companies to retain some rights to commercial exploitation), more needs to be done to support fully the export of military-type items and licensing or investment arrangements for foreign production and sale in third markets.

Export controls also have a constraining impact. The Government requires companies to obtain either a validated license from the Department of Commerce or assurances from their overseas licensees that neither certain technical data nor the direct (and sometimes the second) product thereof shall be shipped to prohibited destinations. The constraints impose a burden on the licensor (not borne by his competitors) in that he must either delay decisions to come to the Government or insist on commitments which his licensee is often reluctant to make. Also, it is difficult for the licensor to police the commitment, and he may find himself betwixt and between on occasions, as was one U.S. company that licensed a Japanese manufacturer who was found to be selling to Red China in violation of U.S. laws. But the American firm would have been in violation of Japanese law if it had cancelled the contract—a felony. It required diplomatic action to untangle the situation, and in the end the Japanese firm ceased trading with China. Although the result in this case was salutary, the overall impact of such actions is to make foreign companies wary of technical tie-ups with U.S. companies—to our detriment and theirs.

The Administration would do well to admit the conflict of export controls with the competitive position of U.S. companies licensing abroad. Once admitted, business and government could then settle down to devising the most effective exchange of information and a system of regulation which at the same time minimizes interference with competitive objectives.

THE SEPARATE WORLD OF ANTITRUST

Another problem area is antitrust. Antitrust regulations have been administered as though they were not part and parcel of the foreign economic policy of the U.S. Government. To my knowledge, such an attitude of separateness is not accepted in any other area of governmental control. Communications, landing rights, shipping, exports, etc., are all subject at times to overriding economic or political necessities. But only in the rarest of cases have antitrust positions given way to overriding political objectives, and only by statutory exemption (the not-so-effective Webb-Pomerene Act) to overall objectives of foreign economic policy.

The Justice Department takes the position that it must enforce the courts' dictum that competition is an end in itself and that other supposed benefits from combinations or anticompetitive acts are less important than those resulting from greater competition. *Enforcement can, however, have detrimental effects on the balance of payments.*

For example, one U.S. company was anxious to license a British company to use its know-how for the manufacture of electronic equipment, with machinery and components to be exported from the U.S. Since under U.S. antitrust laws the licensor could not exclude the resulting products from the U.S. market (no patent or trademarks were involved), he decided to forego the arrangement. The result: a loss of both export income and royalty returns; no consequent gain! Similar cases can be cited in Japan and other countries. Foreign companies are under no such constraints.

Alternatively, the U.S. licensor may feel that his licensee constitutes a sizable market for materials and components, and that he would like to get the licensee to agree, as a condition of receiving the license, to purchase these items exclusively from him. At present, such a tie-in sale is looked on unfavorably by the Justice Department on the grounds that it is discriminatory to other U.S. firms producing these components—though it is common elsewhere and its absence may merely lose sales to other countries.

The inhibiting effects of antitrust regulations are further illustrated by the example of a U.S. company which found that the only Italian firm suitable as a promoter of its exports to Italy already had arrangements that would have put the U.S. firm in violation of the law had it proceeded with an agreement. Again, foreign companies are under no such constraints.

Prerequisite to action in the antitrust area is a change in the attitude of the Justice Department, which has hitherto assumed that "there is no problem." While the Department's view that it is "merely implementing the law" may be technically correct, it is also the responsibility of the executive branch to propose changes in existing laws. There is ample evidence from Congressional hearings and business complaints that supports a call for close and candid examination of the impact of the law as implemented. To some, including the present writer, the "rule of reason" in antitrust cases should not necessarily be the same when applied abroad as when applied within the United States.

NEED FOR HARMONIZATION

A study should be undertaken to consider whether to broaden the "exemptions" from antitrust regulations or liberalize the interpretation of "reasonable behavior." Such a study might also seek to determine what modifications are necessary to bring U.S. law and EEC regulations more into line, removing some of the worst conflicts that a U.S. company faces in operating under two or more jurisdictions. Out of these deliberations might well come some proposals to amend the law, but there are some experts who consider that amendments are not necessary and that sufficient authority now exists to operate in the fashion more consistent with the requirements of foreign economic policy.

In the tax field it is impossible at this time to repeal some of the most intricate and burdensome provisions of the Revenue Act of 1962, one of the objectives of which was to restrict overseas investment by taxing the profits of certain types of foreign subsidiaries when earned rather than when distributed.

CONQUEST THROUGH COMPLEXITY

I have not altered my position, taken in 1961, that many of the provisions of this law are undesirable and unnecessary to achieve the stated objectives, but obviously extended comment on this point is beyond the scope of this paper. Suffice it to note that if the overall objective of making U.S. business competitive abroad is accepted, it is possible for Treasury to work with business in drafting the regulations so as to impose as small a burden as possible on accounting and tax departments of business firms and to make certain that the impact of the Act is no harsher than that intended by Congress. The Act is at present so complicated that one businessman commented: "I did not think that the provisions would deter foreign investment, but I think Treasury has achieved its objective by making them so complex and confusing that it simply takes too much expert and executive time to unravel them and make an investment decision."

To review the impact of its regulations, Treasury should establish a consultation program with business in order to review any complaints of inequity or injustice before they fester into acrimony or seriously interfere with the pursuit of overall overseas objectives. The Treasury should also be instructed to look carefully into the tax systems of other countries to assess the competitive position of U.S. industry abroad. This examination might shed some light not only on the situation within a second country, but also on the ability of a U.S. company to serve a wider market from the second-

country base, just as its local competitor abroad is able to do. Out of these deliberations could come some appropriate amendments to the Revenue Code; but until such an analysis is made (coupled with evidence as to the balance-of-payments impact), it is unlikely that Congress will see the reason for amendments.

On its part, business should proceed to develop information on its overseas operations which will answer the questions posed by Government—not only precise data on the balance-of-payments effects but also on the tax and antitrust effects. The need for information was recognized by the panel on "Foreign Investment and Exports" at the White House Conference in 1963, which urged business to support a study being undertaken by the National Industrial Conference Board on foreign operations. Other studies are under way: by the Harvard and Columbia Business Schools on aspects of the multinational corporation, by the Council on Foreign Relations on the means of business-government cooperation in the formation of foreign economic policies, and by the University of Oregon on conflicts arising in the development of natural resources by private investment in Latin America. Business assistance in these independent analyses should help provide much of the evidence required for informed policy decisions.

In the meantime, business should take immediate steps to reorganize its overseas operations to maximize the return flow of funds to the United States and minimize the dollar outflow *without* losing any opportunity to compete in world markets. There is evidence in the data for 1963 and 1964 that greater reliance is being placed on internal financing and foreign borrowing, relieving the outflow of funds. In addition, more ways could be found to increase purchases in the United States. Finally, business should realize that 100% acquisition of a majority-owned operation overseas *may* add little to the U.S. balance of payments and that the ill-timed or ill-considered actions of a few may redound to the harm of all, through changes in government regulations here and abroad.

There is little new in the above suggestions, nor is novelty needed. What is needed now are means to bring them to fruition. This will require some institutional changes in both the Government and business.

The executive branch must establish a line of authority for reconciling differences within the Administration on business problems. Each of the major departments has now become more or less directly concerned with international activities, and some are attempting to gain more control over those activities that fall within their purview. While this closer attention is itself desirable, it will lead to complex jurisdictional problems unless a mechanism is established to achieve coordination. A single center of coordination is needed, and it logically should be the post of Undersecretary of State for Economic Affairs. During the period in which this post was unfilled (between George Ball and the appointment of Thomas Mann) attempts at coordination through *ad hoc* committees or through one or more members of the White House staff were not successful. A variety of separate interagency committees, each with different terms of reference, means that no one looks after overall policy or makes certain that decisions are consistent.

To bring each of the interested departments into policy formation and to reduce the incidence of divergent actions, the Undersecretary of State for Economic Affairs should establish a weekly or biweekly meeting of the Assistant Secretaries responsible for international affairs in each major department. At these sessions, specific problems can be presented and resolved, with an Administration position developed or recommendations made to the President. No decision should be taken, however, if a constituent agency objected, until the representative had time to obtain clearance from his Cabinet member. The latter could then accede or take his objection higher.

This concert of Assistant Secretaries is essential, for the taking of a position by the Undersecretary of State is not enough. He must consider it important to coordinate the international activities of all major agencies, and if his views are simply those of the State Department or do not adequately take into account the programs of other departments or their interests, coordination will break down. Had there been greater coordination in the past, such legislation as the Revenue Act of 1962 probably would not have been presented in the form it was, leaving the Administration so subject to criticism.

In order to back up the process of decision making and bring the White House in at appropriate times, as well as to prevent the meetings from becoming merely a rubber stamp for State Department positions or simply a "hearing" prior to a State Department decision, a Special Assistant to the President should be appointed with responsibility for foreign economic policies. He might succeed to the Herter position once that responsibility is fulfilled, but his appointment should not be delayed on that account. Objections to a decision by the Undersecretary of State would be taken to the Special Assistant to the President for an initial reading on White House reaction. If the issue is significant enough, obviously it should be decided by the Cabinet or the President. At present, however, there is no procedure for bringing such matters through the agency maze, save on specific issues where *ad hoc* committees exist: balance of payments, trade negotiations, and export expansion. None has the scope necessary for the problems now discussed.

These are the organizational steps recommended for Government, but the business community itself has some reorganizing to do if it is to contribute to an effective dialogue on foreign investment problems. To date there is no single channel through which business interests may be heard on the issues discussed here. The Business Council speaks on some problems, but not necessarily on these or to all relevant officials. The NAM and U.S. Chamber are not sufficiently representative of all interested in international problems, and there are still divisions within their ranks as to priorities on domestic and international issues—reflecting a similar division within corporations themselves. Nor are any of the business groups that direct their attention to one foreign area or to one type of activity able to speak authoritatively for all. None in fact fits the particulars required or begins to match the type of close consultation and continuing dialogue proved by the appropriate organizations in Germany or England. The problem of how business should organize to speak effectively to Government is not easily solved, and a careful assessment of alternatives is needed. But the assessment should begin now.

If business can develop appropriate mechanisms and if the Government organizes its channels of authority effectively, laying the responsibility for *direct* contact with business on the relevant operating departments and establishing proper interagency coordination, the various decisions affecting international business should be more consistent and appropriate. The positions should then fit into an overall objective, founded on sound data, clearly discernible to business and foreign governments, and hopefully reflecting confidence in the role of business in promoting the economic growth of the free world.

THE WASHINGTON POST'S INCREDIBLE CREDIBILITY GAP ON PRICES AND INFLATION

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PRICE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. PRICE of Texas. Mr. Speaker, much has been said in the newspapers about credibility gaps. After consuming repeated doses of editorial arrogance from the Washington Post's "oil experts," I have concluded that our morning newspaper's bleatings about prices and inflation reveal a credibility gap so incredible as to put all others to shame.

A couple of weeks ago, the Post ranted editorially on "Oil: Shortages and Prices," with a reasoning that was uncanny reaching to conclusions that were infantile. And on Friday, July 14, and again on Sunday, July 16, it repeated the act. On these occasions, it was supporting the Chairman of the Council of Economic Advisers, Mr. Gardner Ackley, in his urgings that the oil industry continue to absorb rising costs and "restrain" prices.

On July 16, the Post says Mr. Ackley should have threatened to eliminate oil import quotas, so as to keep oil prices depressed. This was hollow advice because in the present Middle East oil emergency more foreign oil is unavailable. If it was available, and we were dependent upon it, we would find ourselves paying—as are the British—at least 2.5 cents more per gallon in increased gasoline prices. And, like the British, we would be printing standby supplies of gasoline ration coupons.

The Post expresses the view that the oil industry is heavily insulated from competition. This is a case, if ever I saw one, of the pot alluding unfavorably to the kettle's black bottom.

The Post classifies our State oil conservation agencies, without which we would have not a single barrel of reserve oil producing capacity, as a compulsory cartel. Before the advent of State conservation programs, oil was produced under the rule of capture. Oil producers on adjoining leases produced to the hilt, ran their oil into open earthen pits, so their neighbors would not get more than their share. The law of the jungle prevailed and hundreds of millions of barrels of a precious natural resource were carried away in rains and washed into the seas. State conservation has stopped this wastage. Under orderly State-enforced programs, this country fortunately has about 3,000,000 barrels daily of excess or shut-in crude oil producing capacity. Because of that idle capacity, we are not trembling over an imminent oil shortage in the present emergency.

I regret that the Post's editorial writers, pontificating from their ivory towers, cannot see the value in that. Most everyone else that I know, however, can see it and, moreover, are thankful for it.

Now, the Post reasons that these conservation programs which have assured oil abundance instead of oil famine, and the Government's oil import control program—and I use the word "control" loosely—which permits imports into this country of 2,500,000 barrels daily, "imposes an annual burden on the American consumer that may run as high as $6 billion." This is an incredible fantasy.

Crude oil prices today are 3 percent below the price that existed before the import control program was put into effect.

I assume the Post, by some weird sense of economics, believes if we pursued a course of unlimited dependence on Middle East oil that domestic oil prices would be forced down to 75 cents a barrel. It must mean this because the total gross income from domestic crude oil last year, at a depressed $2.90 a barrel, was $8.7 billion. If we shaved $6 billion off that, this would mean a $2.7 billion income from 3.3 billion barrels of oil.

Mr. Speaker, the domestic oil industry spent about $4 billion last year just exploring for oil, and another $3.5 billion for leases, rentals, bonuses, developmental drilling, and lifting costs. So the Post in its generosity and wisdom is only asking that the domestic petroleum industry settle for a 60-percent net loss as a patriotic duty.

Worse than that, it is urging the Government to pursue courses of action that would seal our doom as a nation dependent on Middle East oil.

The Post apparently had a lapse into the unaccustomed world of reality at one point. It actually conceded that oil shortages in the present Middle East crisis could result in upward pressures on prices. This would not be an unnatural economic phenomenon. But the Post wailed that any advance in prices, no matter about costs, ought to be temporary.

Now, the Washington Post certainly ought to know about the effects of hiking prices "permanently," not "temporarily." It ought to know how it feels to be insulated from competition. It ought to know about pricing shenanigans that contribute to inflationary pressures.

It should know these things because the Washington Post is an accomplished practitioner at raising prices and making them stick.

I offer my colleagues some very interesting price comparisons. All the tables, which follow, compared the latest prices with the average 1957–59 prices, the base years used by the Government:

TABLE I.—PETROLEUM PRICES

	Regular gasoline, excluding taxes (cents per gallon)	Regular gasoline, including taxes (cents per gallon)	Crude oil (per barrel)
1957	22.11	30.96	$3.09
1958	21.47	30.38	3.01
1959	21.18	30.49	2.90
Average, 3 years	21.59	30.61	3.00
May 1967	22.46	33.03	2.90
Percent change	+4.0	+7.9	−3.0

Source: Gasoline prices from McGraw-Hill Publishing Co.; crude oil prices from U.S. Bureau of Mines.

TABLE II.—WASHINGTON POST PRICES

	Subscription rates (per year)	Advertising rates, daily (1 page)
1957	$21.00	$2,298.00
1958	23.40	2,472.00
1959	23.40	2,472.00
Average, 3 years	22.60	2,414.00
May 1967	34.20	3,411.00
Percent increase	+51.3	+41.3

Source: Washington Post subscription rates from Ayers Directory of Newspapers & Periodicals; Washington Post advertising rates from Newspaper Standard Rate & Data.

TABLE III.—GENERAL PRICES

(Based on Government index numbers—1957–59=100)

	All wholesale commodities	All retail prices
1957–59	100.0	100.0
1966	+105.8	113.1
Percent increase	5.8	13.1

Source: Wholesale and retail prices from U.S. Bureau of Labor Statistics.

Mr. Speaker, I submit that—based on this record—the Washington Post is perhaps the least qualified lecturer in the land on prices and inflation.

With a price record of having hiked its subscription rates 51 percent and its advertising rates 41 percent—outpacing three times over the rise in the cost of living in the past decade—the Post has the gall to take to task as contributing to inflation an industry which has absorbed increased wages, materials costs, and taxes for 10 long years.

If the Post is at all grateful that we are not dependent at this very moment on Middle East oil—that we are not in a position of begging the Arab dictatorships and monarchies for fuel—it fails to say so.

I am sure my colleagues here, and the American people, are thankful that we have—up to this time—an oil industry capable of meeting our needs. I am sure the American people would never acquiesce to placing themselves and their country at the mercy of the Arab bloc for oil. Fortunately, they have not paid anything, the Washington Post notwithstanding. They will pay, through the nose, if this Government should ever adopt the illusory fascination with cheap foreign oil that the Post exhibits. Once we become dependent on so-called cheap Middle East oil, we will find it isn't so cheap. We will pay whatever the traffic will bear.

Now, on the subject of competition, there are more than 40,000 business units in the domestic oil industry. They are small, medium and large. They outnumber daily newspapers about 20 to 1. When I drive to work in the morning I have the option of buying gasoline at any number of service stations at prices for regular grade that range from 29.9 cents to 33.3 cents per gallon.

But when I reach for my morning newspaper, I have only one choice and the price is always the same and when it is raised it is always permanent, not just temporary.

Now, Mr. Speaker, I am not against the Washington Post making money. It is not exactly a nonprofit organization in business just to give us consumers its tender loving care, I am sure. While I make the bold statement that the Post makes a profit, that might be a somewhat careless assumption, because I have never seen a financial statement from the Post. In fact, I do not know anybody who has seen a financial statement from the Post.

In contrast, the greedy old oil companies that the Post condemns with such outraged piety, publish their earnings statements quarterly. The figures are there for all to see. And for those who care to examine them, these figures show that the rate of return for oil companies for some 13 years now has been below that of industry generally. I would hazard a guess, although I have no way to prove it, that petroleum industry earnings and rate of return on investment even compare favorably with those of the Washington Post.

If the publishers of the Post can prove I am wrong with a public audit, then I will be most pleased to stand corrected, and I will offer a gracious apology for a grievous error.

As I said, I am not against the Washington Post making money. But I do choke a little on naked demagoguery. If the Post had a record of commendable price restraint, to use one of Mr. Ackley's favorite words, then it would be entitled to pontificate about other people's prices. But in any discussion of prices and inflation, it obviously must fall back on that demagogic old motto: "Don't do as we do; do as we say."

As a self-appointed consumer spokesman, the Post has not just singled out the oil industry. It has donned its price-policing halo to pontificate about steel prices, and aluminum prices, and food prices, and the prices of just about anyone else who wants to cover rising costs in this inflationary period of rising wages, taxes, and material costs. In light of its own price record, this can only be put down as unbridled arrogance of the worst sort.

I would like to talk a little bit about oil prices. There is a little booklet published by the American Automobile Association that contains some interesting facts. It points out that in 1965, the United States had 75.3 million private automobiles—not including the trucks and buses. Now, these 75.3 million private automobiles traveled 709 billion miles in 1965, all together. Each averaged 9,255 miles and traveled an average of 14 miles per gallon of gasoline.

At 14 miles per gallon, the average family automobile used 661 gallons of gasoline per year. The price of gasoline did not average 32 cents, including taxes, but to simplify the arithmetic, let us say it did. On this basis, the average family spent about $210 in 1965 to run the family car. A third, or $70 of that went directly to pay State and Federal taxes which averaged 11 cents a gallon.

Now, I have not heard anybody but the Post and Mr. Ackley complaining about this. The States think it is a good deal because they collected $3.8 billion in motor fuel taxes which—combined

with the $1.7 billion in motor vehicle fees—added up to 25 percent of the $22.1 billion total incomes of governments of the 50 States in 1965. The Federal Government ought to look favorably on it, because it dragged in another $4.7 billion in gasoline taxes.

If gasoline—even including these billions in taxes—were such a terribly expensive item, I doubt that we would see the tremendous growth in its use which has occurred. However, the average motorist, if he chose, could do something else with his gasoline money.

He could, for example, put his automobile on blocks and save that $210 a year, thus depriving the oil companies of $140 and the State and Federal Governments of $70 a year. If he continued this long enough, he could accumulate quite a pile. In fact, if he kept his auto in storage and meticulously saved his gasoline money, in about 16 years and 3 months he would have enough to buy one page of advertising in the Washington Post, at its standard rate and data quotation of $3,411 per page.

But that is for a black and white ad, and the weekday rate. If Mr. Motorist wanted to buy a Sunday page, in color, he would have to leave his car on blocks for another 3 or 4 years.

I know my colleagues, if they are to read anything in the morning, must read the morning-monopoly newspaper. I hope when they are confronted with clever editorial phrases about other people's prices, that they will take it with something less than a grain of salt, and choke it down without strangling. Perhaps a spoonful of bicarbonate will help.

Now, a word about Mr. Ackley's urgings to the oil industry to continue absorbing rising costs. In a paternalistic sermon to a captive audience of oilmen, at a meeting of the National Petroleum Council, on July 13, he referred to a 12-percent increase in gasoline prices—2½ cents per gallon, since 1964. By carefully choosing a year of severe price depression, occasioned by price wars over many parts of the country, he was able to come up with this shocking increase. However, this is a tactic that even a freshman economics student would avoid for fear of flunking the course. In juggling statistics, it is possible to pick a year—high or low—to make any point one wants to make.

But deliberately selecting the single year out of the past decade when prices were unduly depressed, the Chairman of the Council of Economic Advisers demonstrates an irresponsibility almost as bad as the Washington Post's. The Government uses 1957–59 as the base year in its pricing indexes. Why should Mr. Ackley abandon 1957–59 in his lecture to the oil industry? He obviously wanted to show an unfairly distorted picture. It would not make as good a newspaper headline if he had merely pointed out that gasoline prices currently are a whopping 4 percent above 1957–59 because that shows admirable restraint, so he abandoned his own yardstick.

If I wanted to compare our Federal budget in the worst possible light, Mr. Speaker, I suppose I would search around and find the smallest budget in history and—on that basis—would probably compare it to Federal expenditures in the first term of George Washington. That is akin to what Mr. Ackley had done to make oil companies heel on prices.

I must say that I am in sympathy with Mr. Ackley about inflationary pressure. But it seems to me that the oil industry, which has a price record that compares favorably with any major necessity bought and sold in our economy, has been singled out with a frequency that is unfair and a vengeance that is regrettable. If Mr. Ackley means business about halting inflation, he ought to go about it consistently. He ought to ride herd on wages which—in the oil producing industry—have gone up 28 percent since 1957–59, while the price of crude oil remains 3 percent below 1957–59. He ought to go to work on nonessential Government spending which, in the view of many of us is the prime culprit in the inflationary spiral, and which—with earnest effort—might be trimmed by as much as all crude oil sales will gross in 1967.

In fact, if the total U.S. reserves of crude oil—40 billion barrels—were sold in a fell swoop at the current average price of $2.90 a barrel it would bring $116 billion—nearly $50 billion less than it would take to run this Government on the basis of planned expenditures this year.

Lastly, I would suggest that if Mr. Ackley looks to the Post as an ally to bludgeon people about price escalation, that he ought to look at the Post's prices. Where has he been while the Post has jumped its subscription rates 51 percent and its ad rates 41 percent, since 1957–59?

That could be a rude question. Mr. Ackley perhaps lives by an old axiom: "Never argue with a newspaper unless you own it." Maybe the power of the Post inhibits Mr. Ackley, but if this self-proclaimed great Washington newspaper has an editorial policy, whether on prices—or even on disclosure—particularly in the area of income and earnings—then the least we can expect is that it live itself by those pious pleadings.

SLUM HOUSING IMPROVEMENT

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. RUMSFELD] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. RUMSFELD. Mr. Speaker, certainly there is no one legislative solution to the problem of slum housing improvement, or to the consequent outbursts of racial violence which plague our cities each summer. Secretary of Housing and Urban Development Robert Weaver, when he charges that Senator CHARLES H. PERCY's homeownership plan cannot solve all the problems, seems to be demanding that Congress furnish instant total relief to the housing problem. This demand is both unfair and unrealistic.

Secretary Weaver bases his judgment on the assumption that existing Federal programs are designed to eliminate social unrest caused by poor housing conditions, and that Congress should therefore appropriate sufficient funds for these plans to be implemented. But it is clear that there is no guarantee—and indeed little chance—that simply throwing money at the problem will improve the situation. Senator PERCY's imaginative plan to engage private enterprise is very possibly a first step toward a sensible long-term solution to our housing problems.

A recent editorial in Chicago's American points to a recent administrative attack on the Percy-Widnall homeownership concept. The editorial notes the increasing reliance on the Federal Government to solve the Nation's problems and concludes by urging that we take a closer look at such creative legislation as the Percy-Widnall program.

Mr. Speaker, I insert in the RECORD the editorial, "Rx by Percy," from Chicago's American, July 19, 1967:

RX BY PERCY

No amount of reason seems to bend the Johnson administration from its philosophy that the nation's problems can be solved by pouring more money into huge federally controlled spending programs. This disturbing point of view was articulated again Monday by Robert Weaver, secretary of housing and urban development, during his appearance before a Senate housing sub-committee. Weaver's interpretation of administration policy came during a verbal battle with Sen. Charles H. Percy [R., Ill.] who was testifying on behalf of his own slum-improvement plan.

Percy presented a unique plan which we believe deserves careful consideration. He proposed a government-subsidized homeownership foundation geared to winning private-enterprise support of private home ownership by slum-area residents.

Weaver, of course, prejudged the plan as a failure. He charged that it could actually provoke outbursts of violence in ghetto areas by promising already disillusioned residents something they can't have—their own homes.

Referring to riot torn cities such as Newark, N.J., Weaver claimed that "only basic, gigantic, and well-directed positive action" would prevent further outbreaks of violence and lead to the solution of urban problems.

Weaver implied that the recent outbursts of urban violence may have been the fault of Congress. He said adequate programs exist to correct social unrest, but the lawmakers had failed to vote adequate funds to carry them out.

It seems highly unlikely to us that the administration has all the solutions and simply not enough money. There must be room for updated and creative legislation which will serve the public at a lower cost than the huge government spending programs, many of which are only marginally effective.

The Senate would be well advised to look into Percy's proposal and those of other senators who believe as we do that pumping more money into a sagging bureaucracy doesn't always solve problems.

THE POOR IN RURAL AREAS

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Alaska [Mr. POLLOCK] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. POLLOCK. Mr. Speaker, so much is written about the miserable plight of the poor and their life in the cities, their

poverty, unemployment, poor housing, polluted air, and water. Yet the movement of Americans into urban areas continues. When one looks at the status of rural America, the movement can more readily be understood. Today, 45 percent of the Nation's poor live in rural areas. While 14 percent of the urban population is officially designated as poor, 27 percent of our rural population is so designated. While in 1960, 73 percent of all urban households headed by an employed male had an automobile, telephone, hot and cold running water, and sound housing, the figure for rural towns was down to 60 percent. Less than half, only 44 percent of all rural farm households met these standards. Mr. Speaker, I think it is clear why the migration that I referred to earlier continues today unabated. Rural America is even more desperately in need of assistance than our needy cities. Rural poverty is no less devastating than urban poverty. It is merely less visible in this urban-oriented age.

Yesterday, I introduced a bill which is a realistic attempt to offer rural America a chance to play a critical role in our Nation's growth. The bill offers tax incentives to business to expand its activities into rural areas and to create useful and productive jobs.

The bill utilizes what I feel is perhaps the best approach for joint public-private effort. We know how the Investment Tax Credit Act of 1962 proved to be a valuable incentive for economic expansion. Tax incentives are necessary to induce business to overcome the factors discouraging expansion into rural areas. Many favorable rural locations are disadvantaged because they are removed from large market areas. This adds extra transportation costs to businesses which attempt to operate in such areas. There is also a shortage of trained labor in rural areas. This is not because the rural workers are innately less capable than their urban kin, but because they hear the promise of the city for better jobs, homes and lives, and so move to the cities in search of better times. As a result, many rural communities lose their most talented youngsters to urban growth.

An additional barrier to industrial expansion in rural areas is often the fact that rural communities lack adequate water, electrical, and transportation facilities for industrial operation.

These conditions may discourage business from seriously considering expansion into rural areas. I feel that the application of favorable tax treatment to businesses that attempt to overcome these barriers is necessary to assure them a reasonable profit.

Rural poverty is particularly acute in my own State of Alaska. Hundreds of tiny villages barely eke out an existence in the vastness of Alaska. There are few opportunities for jobs and little prospect for industry at the present time. Much of the cash income of the people in the remote native villages comes from welfare. Large-scale industry shuns such an area, but there is opportunity for development. Alaskan waters abound with fish, and the land holds much mineral wealth. Remoteness, fluctuating prices and supply difficulties make it difficult for business to invest there. Indeed, many canneries that used to sustain the economy have closed down and fish processing has moved elsewhere. The incentives provided by this bill could help overcome much of the difficulties encountered. It would encourage the establishment of a cannery in a village, or a mining operation where now investment might be too risky. In this way it can create jobs, and jobs are the only real answer to poverty.

I trust that my colleagues will look over this legislation carefully and recognize its merit. I further hope that we can soon work toward enactment of this important bill.

WATER POLLUTION CONTROL ACT

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. REID] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. REID of New York. Mr. Speaker, I think it most unfortunate that the House did not approve the amendment to the public works appropriation bill yesterday that would have increased the appropriation for the Water Pollution Control Act from the $203 million requested by the administration to the full $450 million unanimously authorized last year.

In anticipation of the availability of these funds, many communities have stepped up the planning for their sewage treatment works construction. The Clean Waters Restoration Act passed last year authorized $450 million for assistance to localities for this purpose and I think that the Congress, once having recognized the magnitude of this problem, must, as a matter of national priority, provide the funds to meet it completely. The sewage treatment construction provided for by the 1966 legislation, furthermore, represents only the beginning of a major national effort that is absolutely essential to combat water pollution.

While the public works appropriation bill is over $300 million larger than the comparable measure for the last fiscal year and while it clearly includes far too many items that can only be classified as pork barrel legislation, I would have considered voting for it had there been full funding for the clean waters program.

STATE FIREARMS CONTROL ASSISTANCE ACT

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. REID] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. REID of New York. Mr. Speaker, I am introducing today the State Firearms Control Assistance Act of 1967, which has already been introduced by several colleagues in both the House and the Senate. I believe that this measure contains necessary controls on the mail-order shipment of firearms without imposing restrictions on the law-abiding sportsman.

The assassination of President Kennedy and the senseless tragedy at the University of Texas last year, as well as the countless crimes of violence committed on the streets of every city in the Nation, point to the need for legislation that will place sensible controls on the purchase of firearms through the mails.

Statistics indicate that in 1965 alone, 5,600 murders, 34,700 assaults, and most of the 68,400 armed robberies were committed with guns. In a recent 3-year period, of the 4,000 people who ordered guns from only two of the mail-order dealers in the city of Chicago, one-fourth—or 1,000—of them had criminal records.

It is weapons in the hands of criminals, the mentally ill, and extremists that are dangerous—to themselves, to their neighbors, and to society at large. However, it would not serve the end of curbing violent crime nor is it within our democratic tradition to place restrictions on the acquisition of firearms by the sportsman or the hunter. The bill that I am introducing today is aimed at the criminals not at the sportsmen.

The Congress has spent entirely too much time studying what steps should be taken to curb mail-order gun sales and no time at all in taking concrete measures to put such controls into effect. In the meantime, the violence continues and needless injuries and deaths occur.

The legislation I am introducing today would implement the most effective approach to controlling mail-order sales of firearms. The major responsibility would continue to lie with each State which would still make its own decisions about how best to prevent the misuse of firearms in that area and would enact the necessary laws in their own legislatures. The bill I propose would, by virtue of its interstate provisions, enable each State to enforce its laws effectively. Presently, a person residing in a State with stringent laws regulating who can purchase a gun, can easily circumvent his State's restrictions by ordering his weapon by mail from a dealer in another State.

Briefly, this bill imposes no Federal restrictions on purchasing a gun in one's own State for a person who complies with State and local law and meets two conditions. First, he must be 18 years of age to purchase a long gun and 21 to purchase other weapons. Second, the bill specifically provides that "it shall be unlawful for any licensed importer, licensed manufacturer, or licensed dealer to sell or otherwise dispose of any firearm or ammunition to any person, knowing or having reasonable cause to believe that such person is a fugitive from justice or is under indictment or has been convicted in any court of a crime punishable by imprisonment for a term exceeding 1 year."

Purchases of rifles and shotguns can be made by nonresidents in person from dealers in other States, and the arms can be shipped home, if the transaction

and delivery comply with the laws of both localities. Other purchases of rifles and shotguns, and all purchases of handguns originating out of State, can be made from or through dealers in one's own State—whose ability to ship weapons in interstate commerce is not restricted—just as a local purchase is made.

What this amounts to is that only two national standards are set for the purchase of guns—and none at all for the use of guns. The standards of this bill prevent criminals and juveniles from buying guns from licensed dealers. Otherwise, the gun enthusiast who wants a handgun will have to buy it in his own State. The sportsman who wants a rifle will have to buy it from a dealer in his own State, or by it in person in another State.

In my judgment, these provisions will not interfere with the pursuit of his hobby and interest by the hunter and sportsman. It will, I hope, go a long way toward limiting the acquisition of firearms by persons whose intent in obtaining them is destructive and dangerous to society. It is my understanding that further hearings on this bill will be held by the Senate Juvenile Delinquency Subcommittee in the near future. I am hopeful that this round of hearings is the preview to decisive action by the Congress.

GUERRILLA WARFARE, NOT SNIPERS

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ASHBROOK. Mr. Speaker, anyone who would watch the comprehensive coverage of the Detroit racial riot and would read the volumes of reports already written must come to the conclusion that a few snipers could not possibly hold so many law-enforcement officials at bay. These men are not snipers, they are guerrillas, and one can only conclude that they are very able fighters. How long did it take troops to secure the area? Does this street warfare appear to be the consequence of a few isolated acts by snipers?

No, Mr. Speaker. It is clear that there is an organized uprising which amounts to insurrection. The President of the United States must have clearly seen in the recent so-called black power conference in Newark, N.J., the elements of insurrection. What these demogogic leaders called for was revolution. We are in the throes of revolution but we will not face up to it.

It is time to focus our investigations on the guerrilla activities which have shown a pattern over the past few weeks. I have called upon the House Committee on Un-American Activities to investigate this rioting due to the clear evidence we have that subversive forces seem to be involved to a notable extent.

PRESIDENT MUST GIVE ANSWERS TO QUESTIONABLE PARDONS

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ASHBROOK. Mr. Speaker, it will be impossible for the Justice Department and the President to sweep under the rug the questionable activities in the field of Presidential commutations. I have outlined the Johnny Gay case which was prepared by two fine journalists, Doris O'Donnell and Harry Stainer, of the Cleveland Plain Dealer. Clark Mollenhoff has added his journalistic prestige to this same call for probing these pardons.

Today I received a letter from a Lutheran minister in Cleveland which seems to sum up the more than 150 communications I have received thus far regarding the President's questionable commutation of a notorious dope peddler, Johnny Gay. This minister said:

> Many in our area wish to know, and are entitled to know, the whys and the wherefores. Any further light on the subject to the Plain Dealer would be appreciated. It is a sad day when a president of the United States, as it appears, must seek the favor of a questionable element. I am not bitter but I am sad. With millions I say in your words, "Will you tell us, Mr. President?"

Yes, will you tell us, Mr. President? At the conclusion of these remarks I include the article by Clark Mollenhoff which appeared in the July 23, 1967, issue of the Des Moines Tribune and Register.

URGE PROBE OF PARDONS BY JOHNSON—CITE "QUESTIONABLE CIRCUMSTANCES"

(By Clark Mollenhoff)

WASHINGTON, D.C.—President Johnson's commutation of sentence of one of Ohio's biggest narcotics pushers has resulted in charges of "politics" and demands for a congressional investigation.

Senator John J. Williams (Rep., Del.) declared Saturday that there have been substantial increases in the number of pardons and commutations and that some of these have been under "such questionable circumstances" that he believes a full-scale investigation is needed by the Senate Judiciary Committee.

The narcotics pusher is Johnny Gay, 49, of Lorain, Ohio, who walked out of prison Jan. 20, 1966, as a result of a commutation by President Johnson that cut his prison term in half. The presidential action came despite the views of the sentencing judge and the prosecutor that Gay should stay in prison until 1972 and should receive no leniency.

SURPRISING RELEASE

Representative John Ashbrook (Rep., Ohio) is also upset by what he called "the questionable circumstances surrounding the surprising and unwarranted release of an Ohio hoodlum, Johnny Gay."

"In 1962, federal agents described Gay as the 'largest single source of heroin in the state of Ohio,' " Representative Ashbrook said last week.

Ashbrook declared that "something smells very bad" when "Johnny Gay has in his possession a document bearing Lyndon B. Johnson's name" that won him his freedom.

Ashbrook pointed out that U.S. District Judge James C. Connell gave Johnny Gay two consecutive five-year prison terms for his wholesale narcotics operation. Judge Connell in stating that Gay should serve the entire sentence commented that "Gay for reasons of his own chose to live a life spiced with crime, narcotics, prostitution, bigamy, and whatever degrading thrills he was susceptible of absorbing over a long period of time."

Senator Williams declared that both the Johnny Gay case and one involving Lawrence (Larry) Callanan, a convicted St. Louis, Mo., labor racketeer, should be major cases in an over-all investigation of how the presidential pardons and commutations of sentence are being handled under the Johnson administration.

SHAKEDOWN CHARGE

Senator Williams pointed out that Callanan, head of a steamfitters local in St. Louis, was convicted in 1954 on a charge of engaging in a $28,000 shakedown of a pipeline contractor. He was paroled in 1960 after having served five years of a 12-year prison term, but he was still barred from holding union office until April, 1964, when President Johnson signed an order commuting his sentence and taking him out from under the jurisdiction of the United States Board of Parole.

Senator Williams has been critical of the "political overtones" in the presidential action in the Callanan case, for the steamfitters local union gave $25,000 to the "friends of L.B.J. Committee" in May, 1964, a few weeks after the commutation of sentence. That "Friends of L.B.J. Committee" was handled through the office of what was then the law firm of Abe Fortas, since named to the United States Supreme Court.

Within the last two weeks, the St. Louis Globe-Democrat has reported that another $25,000 was contributed to the Democratic Party by the St. Louis steamfitters local in 1964 through direct payments made to a New York advertising agency.

Senator Williams declared that the Congress "should not accept the self-serving statements by the Johnson administration that these are non-political and objective decisions."

"Only a thorough congressional investigation will get to the bottom of this," Williams said.

ONLY PART

Representative H. R. Gross (Rep., Ia.) declared that "the Johnny Gay case, and the Callanan case are only a part of a pattern of what is happening under the Johnson administration.

"These are shocking matters when the biggest dope pusher in Ohio is turned out of prison years early by the signature of the President of the United States," Gross says. "What we know about a few of these cases leads me to believe that there is a definite need for a deep inquiry to find out what else is happening in this increase in pardons and commutations."

Reed Cozart, the United States pardon attorney, declared that there was a sharp increase in the number of pardons and commutations in 1966. He said the number was "about double," but he denied that there was any politics or political pressure.

He said the increase was a result of the work of a young man who came into the office "and helped us to get rid of a big backlog of cases that piled up."

Cozart, a Texas Democrat, said he was appointed to his job in the mid-1950s under the Eisenhower administration and has never been subjected "to any political pressure by anyone."

The record at the Justice Department shows that Senator Steven Young (Dem., Ohio) was one of those who was "interested" in the commutation of sentence for Gay.

However, Cozart said he made the decision to recommend the commutation because Gay had been a model prisoner at the federal

hospital-prison for narcotics addicts at Lexington, Ky., and because he felt the original sentence by Judge Connell was too severe and "out of line with the national pattern" for sentences on a first offense for narcotics peddling.

"It is unfortunate that there are these charges of politics that reflect on the President for he had nothing to do with these decisions," Cozart said. "I know that he would oppose getting any politics into this. I know that if there was any hint of political pressure I would quit. I just wouldn't have any part of it."

LEGISLATION REGULATING MAIL ORDER LIST BROKERS

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. GUBSER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GUBSER. Mr. Speaker, recently I introduced H.R. 11451, which would impose a license fee on the purveyors of mailing lists with a requirement that they certify to the Post Office Department that they have not sold such a list to any person who they have reasonable cause to believe would use the list for the purpose of attempting to sell obscene or pornographic literature through the mails.

I have received many letters of endorsement from across the country for this completely new and novel approach to the problem of controlling the sale and distribution of pornographic literature. I have also received some letters in opposition, most of which were based upon the high license fee of $1,000 which the bill would impose.

Mr. Speaker, the amount of the license fee is relatively insignificant and I, for one, would be happy to see the bill amended in a manner which would reduce this fee to merely a token amount. But I would not like to see any of the requirements imposed upon the purveyors of mailing lists which pertain to use of those lists for the sale of pornographic literature to be relaxed. The very essence of my bill is the new approach to regulating the peddlers of smut and pornography through regulating the dealer in mailing lists.

A dealer in mailing lists is a very necessary link in the smut peddler's operation and perhaps by regulating him we can at last find some constitutional means of getting at the persons who profit from filth.

Mr. Speaker, I was most pleased to receive a copy of an assembly joint resolution on June 27 which clearly endorses the approach contained in my bill, H.R. 11451. I am pleased to include the text of this resolution with these remarks:

ASSEMBLY JOINT RESOLUTION 17

Joint resolution relative to mail order list brokers

WHEREAS, The Attorney General's report on pornography indicates the people of California have been subjected to a deluge of unsolicited mailed material of a pandering sexual nature; and

WHEREAS, There is presently no adequate means of relief from these unsolicited and repeated mailings; and

WHEREAS, Many of these obnoxious mailings are caused by the sale of lists of names by mail order list brokers; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to enact legislation regulating mail order list brokers; and be it further

Resolved, That the Chief Clerk of the Assembly is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

WOMEN REPORTERS BANNED FROM VIETNAM COMBAT AREAS

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. GUBSER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GUBSER. Mr. Speaker, Mrs. Helen Emmerich, a reporter for the Sunnyvale Standard-Register-Leader, is currently on a 2-month assignment in Vietnam and her articles are carried daily in the Standard-Register-Leader.

I was proud to designate Mrs. Emmerich as a special representative in the hope that she could bring back additional firsthand information to me regarding the progress of the war in Vietnam.

Her stimulating and interesting articles constitute an outstanding job of reporting. She has asked for no special privilege because of her sex, nor has she shrunk from danger which males often refuse to face. From my own experiences in Vietnam, I believe her articles are authentic and factual. In addition she has provided that rare "something" which is so often missing from the stereotyped copy filed by her male counterparts. A woman's insight into the war in Vietnam and a report of the actual fighting as seen through the eyes of a mother have filled what I have felt has long been a void in the coverage of the Vietnam war.

Now it has apparently been decided that female reporters shall be banned from staying overnight in the combat areas. The motivation for such a ban is undoubtedly meritorious and based upon a chivalrous respect for womanhood. But if a female reporter does not hinder a combat operation nor ask any special favor because of her sex and if she is willing to assume the obvious risks in order to do a good job of reporting, then she should not be discriminated against. Furthermore, it would be regrettable if we were to lose the type of insight and inspired writing which has characterized Mrs. Emmerich's work to this point.

At a later date I intend to put more of Mrs. Emmerich's articles into the RECORD, but for the present, one of her dispatches from Saigon regarding this possible ban against female reporters is interesting and timely. The article, which appeared in the Sunnyvale Standard-Register-Leader on Wednesday, July 5, follows:

(By Helen Emmerich)

SAIGON, SOUTH VIETNAM.—I have just returned from 10 days in the field, only to learn that there is a movement growing in the high command here to restrict women correspondents from remaining in the combat areas overnight.

This rather startling possibility comes on the heels of my receiving my first mail in two weeks, including a Standard Register Leader reporting on a UPI correspondent Tom Cheatham's defense of the Saigon correspondents, who gather their news by attending the 5 o'clock follies there.

I will have to agree with Cheatham, that Saigon is oppressively hot, filthy dirty and inconceivably stinking, that it offers little to the imagination in the way of colorful war coverage.

And I will go along with the sad fact that some correspondents are doomed to eke out day after depressive day in the spongy swamps of that steaming city.

There are now, however, some 600 correspondents from across the world in South Vietnam. Obviously, they are not all sentenced to Saigon. Many are there by choice.

It is, after all, highly possible to live in relatively Scotch-on-the-rocks comfort in an air-conditioned room in Saigon and fake it.

My opinion is that most people in the states would never know the difference if a correspondent were to choose the Saigon scene or the war scene to write his copy.

There are relatively few women correspondents in-country—15 at the most, some of whom are married to working correspondents. Only about five to eight of us cover the war from where the war is happening.

I was in the field, had just returned from Special Forces Camps in Kahanh Hoa Province and had only two days before flown a strike mission in the Phantom F-4, where we dropped six 750-pound bombs on a VC rallying point, when I was told I had missed the meeting called by MACV for female correspondents.

I might add at this point that the reason you do not hear from me for sometimes as long as 10 days, is not because I have picked up another bug, but because I am either traveling or out of communication's reach. More about that later.

I returned to Saigon on June 26 with just two days facing me before I leave for Da Nang and on to live in a Vietnamese village for three days.

Therefore, I had little time to find out what had been happening, so I asked for and got a briefing from one of MACV's top brass.

My research at this point, drawn in part from what other female correspondents have told me, and sketchily from what the colonel said is that it all began one early morning when General Westmoreland got out into the field and spotted a female correspondent there. He was curious how she got there at such an early hour—and upset when she replied she had been there all night.

This, then, seems to be what started the black ball rolling against the female of the correspondent species.

So far, commanders have exercised their own prerogative when it came to deciding whether a man or woman would go along in an operation. I know of no one being turned down.

Now, it seems, if MACV has its way, all commanders will be made acutely aware of the fact that they now must make a determination whether "to extract female correspondents from exposed areas at night", which I might add, is generally the time when contact with the enemy is made.

The kicker, which would make any red blooded American female correspondent hit the boiling point is "Female correspondents

have the same rights and privileges as male members of the news media. However, because of the concern expressed by some commanders the following guidance is provided:"

In ad Nauseum.

Just to show how gallant the brass is going to be about this, they are bringing it to a vote by the female correspondents.

The handful of women reporting the war here, who feel they cannot fulfill their mission in Vietnam without being in the "exposed combat areas", have already written and signed, along with yours truly, a protest to this obviously discriminatory piece of legislation.

It appears incomprehensible, in a country at war, where most everything has been reduced to the most elementary basics of life, that so much effort would need to be put into legislating the working of a mere handful of women.

It's true, if you chose to be dramatic, one woman, Dickie Chapelle, has died, while walking through a mine field; another injured, while photographing war in the DMZ. But one could hardly call that a holocaust, much less a trend.

I speak for all working women reporters in Vietnam when I say that such a contemplated move by MACV would seriously hamper the reporting efforts of this war. And in no other war, has the need for gut-reporting been so great, nor do I believe has the American public ever been so hungry for such kind of news and served so little of it.

Women do have a valid place in the reporting of this war. They see, know and feel things that man cannot see.

To assume that a woman who has the courage to go into an exposed area would present a security problem is almost ludicrous, if not laughable. Women go out of their way not to present a problem. That is not always true with male correspondents.

I have walked miles in the glaring sun, miles when hours before I wished to drop in my tracks, but like all other women I have known here, I would have died first rather than restrict an operation.

I never blinked an eyelid though men around be became sick, when forced to drink water out of a human waste-infected rice paddie, because there was no other water to drink.

Nor was I ashamed to cry bitter tears of futility at the sight of death when mortar slammed out the young life of a Marine who looked like my own son.

I have laughed belly laughs over the crude but beautiful humor that fear and tension brings to men close to death.

I have climbed and slept on AMTRACS while sniper fire whizzed by, and chased shadows in stifling hot sun, and in loud joy poured water by the buckets full over my sweat-dusty body beneath.

And if I sound as though I'm bragging you're dead right, I was proud to be there. It is a compulsion I cannot explain away, any more than I will give away the right to be there without a fight.

Yet, if I thought for one moment I would have been a threat to security, I would have asked to be taken out. I was not.

There are some desk-chained men here who say women cause a problem to men in the field—men who haven't seen a woman for months. Hogwash.

I have never known such honor, such sweetness, such gentleness as I have seen from these rough-shod, dirt-sweated men I have walked with in the field.

Last, there is another fine point, one that may emerge as the MACV wedge.

They say that if one GI took one second to look after a woman first, before performing his own job at the scene of a fire fight, we then would be responsible for the loss of one, perhaps many more lives.

I have lingered long on this awesome thought. To a woman we disagree.

The finest tribute we have been paid while covering the battlefronts in this war in Vietnam is the respect paid to us by the men who give us our own and let us fend for ourselves when the chips are down.

I don't think women should be barred from writing about men in their own lonely pain, in the intimacy of a battlefront.

After all, women did bear those men in pain and in pain sent them off to war.

Mr. Speaker, it is in the national interest that brave reporters like Mrs. Emmerich be allowed to contribute to full reporting of the war in Vietnam. To this end I urge that restrictions against them be eliminated.

COOPERATION: KEY TO SUCCESS IN A CHALLENGING FUTURE

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Idaho [Mr. HANSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. HANSEN of Idaho. Mr. Speaker, under permission to extend my remarks in the body of the RECORD and to include extraneous material, I include a speech, given by Mr. Lewis C. Yount, president of the National Association of Life Underwriters, on the occasion of the Greater St. Louis Insurance Day luncheon on March 21 of this year.

This speech, Mr. Speaker, sheds a great deal of light on the problems and expectations of the insurance industry and, particularly, in its relationship to government—Federal and State.

Mr. Yount's address follows:

COOPERATION: KEY TO SUCCESS IN A CHALLENGING FUTURE

(An address by Lewis C. Yount, CLU, President of the National Association of Life Underwriters, at Greater St. Louis Insurance Day luncheon, St. Louis, Mo., March 21, 1967)

During his term of office, the president of the National Association of Life Underwriters is given opportunity to travel extensively throughout the country for the purpose of visiting our state and local associations, life insurance company home offices, and to represent and speak for NALU at gatherings of industry officials, legislators, and leaders of the business community.

These are all valuable experiences. Yet, I have the strong suspicion that this "Insurance Day" in St. Louis must rate as one of the most significant speaking engagements of my presidential year.

I say this for several reasons.

First, no president of the National Association could be unaware of the continuing influential role of the St. Louis Association of Life Underwriters, our host today. It is one of the oldest and most active of the NALU's 880 local affiliates. Over the years, this association has demonstrated uncommon commitment to the principles of career life underwriting embodied in our organizational Code of Ethics and has implemented numerous service programs generated by NALU. One indication of NALU's high regard for this association, and the great city in which it is located, is seen in the fact that five NALU national conventions have been held here—the last in 1965 right in this hotel.

Secondly, I regard this "Insurance Day" in more than casual light because it is primarily devoted to the pursuit of professional excellence.

Inherent in this pursuit of excellence, I believe, is a paralleling emphasis on our corporate and individual concepts of management . . . a term I use synonymously with leadership.

If you have not read—or read about—John W. Gardner's essay on leadership written for a Carnegie Corporation report and later expanded into a book, I commend it to you. Our Secretary of Health, Education and Welfare says that too many bright young men in colleges and universities today are being taught more and more about less and less. This system, he says, produces graduates who are equipped to stand off, advise, and criticize—but not to take on the responsibilities of leadership . . . not to dirty their hands on final decisions.

This tendency to shrink from responsibilities of leadership, adds Mr. Gardner, leads to the growing belief—*and I quote:* "the world does not need leaders, only experts".—*unquote.*

Events such as this "Insurance Day" program do help us to become more proficient as professionals. I am certain, however, that they also raise our sights to the challenge and responsibility of leadership in insurance and public affairs.

The third reason I am so gratified to be with you today will occupy the main thrust of these remarks.

This "Insurance Day" is an excellent example of what is required in American business life: Empathy, cohesiveness, and cooperation between all components of the business community. This is true for all business; it may very well be absolutely essential to the continued progress of the insurance industry.

What I am suggesting is that among those engaged in insurance is a community of interest that is greater today than ever before. This results in some marked degree from the breaking down of the barriers that traditionally divided us into specific lines of vocational endeavor.

Obviously, things are different today—with the trend toward the "one stop" or "all lines" concept of selling. Now as never before we have a melding of lines of insurance at both home office and field levels . . . perhaps a bit more marked among general insurance men than their life prototypes.

Certainly, one natural effect of this amalgamating trend has been to bring about a new inter-relationship between individual insurance practitioners and their trade associations in a whole range of common interests—from training . . . to merchandising . . . to legislation.

This change in the traditional modes of insurance marketing is not the only propelling reason for rapport between groups that often in the past felt that they had little to give one another. Other equally impressive reasons applicable to life, health, and general insurance can be cited. To name a few:

Complexities and changes in the marketplace . . . highlighted by population growth and mobility, new family formation, increase in number of young adults and young families to the point where they are the dominant factor in the market for goods and services. All require new emphasis on research and analysis . . . and, in the case of the young adults, a new set of appeals more in keeping with their special concerns and social idealism.

Emergence of more discerning and selective buyers of our products.

Utilization of computer technology in the sale and service of insurance.

Apathy if not antagonism of many young people towards careers in business that is having its effect on recruitment of manpower for insurance careers.

Absorption of much of our market by governmental and mass coverages.

A heightened dialogue as to the efficacy

and effectiveness of state regulation of insurance.

Accelerated intrusion of government into the private sector.

I am sure that you can add to this bill of particulars. The important point is that all of us in insurance must be intrigued by these and other developments that affect the future. After all, that is where we will spend the rest of our lives. We must move boldly and creatively to the tasks at hand. Value the past we must. Draw lessons from it we must. But we cannot live in it as individuals and as organizations.

That our future will bear little resemblance to the past and present was recently dramatized by H. Clay Johnson, president of the Royal-Globe Companies. Anticipating the impact of computers, he predicts that an insurance company in the future might handle a consumer's entire salary, making pre-authorized payments to public utilities, department stores and supermarkets, and meeting monthly installments for insurance, mortgage interest and other obligations.

Sterling T. Tooker, president of the Travelers Insurance Companies sees the possibilities of his company being more intimately involved in its customers' money management affairs—including giving them a fully rounded family financial planning service, so that for a fee, irrespective of immediate purchase, a family could have sound advice to plan properly for their foreseeable future.

Mr. Tooker also suggests that a life insurance company's money-lending skills might be expanded to include other types of consumer loans. "Why should we not finance that which we insure?", he asks.

So there is no question that all of us in insurance are caught up in rapid change. I think we can agree that the more successful we are in charting trends and in looking for ways to use new developments to the advantage of those we serve and ourselves, the quicker we will foresee the future and our place in it.

After some 20 years of involvement in life underwriter affairs, I have no doubt that concerted, cooperative action with my associates and competitors is a far better course to follow than to try to go it alone. This means, of course, that my trade association is essential to my professional career.

I can only speak for The National Association of Life Underwriters. But I am sure that those of you in other lines of insurance can make a similar analogy to your organizations.

I have suggested that there are several salient factors that bind together all those in insurance. I would like to offer my views on some of them. But before doing so, let me reiterate that the realities of our times—in the marketplace and in business-governmental relationships—should give impetus to the making of more common cause and establishing close contacts in our industry.

This "Insurance Day" is an example of what I mean.

I am also encouraged by the formation of all-industry committees in several states—such as California and Minnesota—and on a regional basis in New England where life, health, and general insurance people cooperate in state legislative matters. In Florida, we have another type of working relationship that helps spark the teaching of insurance in the state university and provides scholarships for high school teachers so that they can attend workshops in money management/family finance.

Happily, there are people in high places in the several lines of insurance who are similarly advocating concerted effort to meet problems common to all industry segments.

One such individual is John A. Bogardus, Jr., who recently told the Insurance Committee of the Chamber of Commerce of the United States—*and I quote:* "The present fragmented approach to common problems must be overcome."—*unquote.* What Mr. Bogardus means is that there are 470 insurance trade organizations in the United States—80 of which are national in scope. Of necessity, most if not all are concerned only with their specific membership needs and seldom get involved wtih the total picture.

Mr. Bogardus and others suggest the establishment of a national forum in which common problems can be discussed and solutions considered by a cross-section of insurance leadership. When through the Forum process leaders agree on solutions and actions, they could then report and recommend this agreement to their respective organizations.

To some extent the National Chamber's insurance committee plays this role. But many of our vexations and challenges are state and local in nature. Thus, the pressing need for cooperation and consultation at these levels as well.

Taking part in this same insurance committee meeting, Melvin Stark, manager of the American Insurance Association, underscored what he termed: "the really fundamental tie that binds us, irrespective of differing operations and possible diversions of business philosophies." That link, said Mr. Stark, is a political one which he describes—*and I quote*—as: "our unified and clear desire to preserve private enterprise for insurance and other fields of economic endeavor. To the extent that government intrudes in this area without justification or necessity", he added, "then we have a basic relationship unshaken by any internal and differing commitment."—*unquote.*

I'm confident that you, too, see the future as eventful, exciting, challenging—that you are persuaded it will be a time calling for our best thinking as individuals . . . a sense of urgency and bold planning by our respective trade organizations . . . and a new chapter in cooperative action in areas of common interest by various insurance trade associations at local, state, and national levels.

There are things to be done in meeting the wave of the future that are primarily individual responsibilities.

For example, it is incumbent on all of us as insurance practitioners to make certain that our efficiency, productivity, competence, and ethical standards are neither shopworn nor outmoded. Naturally, our respective organizations are also heavily engaged in these areas.

Also, as individuals and organizations we can be alert to the new relationship between business and government. If we understand the nature of this relationship, then there is much we can do as individuals concerned with the preservation of our free economy to make sure it is mutually beneficial. And if truly informed, then we can enthusiastically participate in the kind of public affairs and political education and action programs that our trade associations must undertake to set fair and equitable ground rules for business-government relationships.

The relationship between government at all levels and the private business sector is not new or unique. Rather, it is one of the hallmarks of our American way of life. We cannot and should not object to government proper role in advancing the common interest and protecting the public welfare. But government's recent penetration into business had a different quality about it than we've ever known in the past—and all of us must be concerned about it.

Henry Ford, II, recently called attention to this fact in an address in New York City, in which he declared that government involvement in business is expanding more rapidly now than at any time since the 1930's. Mr. Ford reminds us that one direct result of this trend is that "government and business" seems to be the No. 1 topic at most business and professional meetings. I can tell you that NALU's 1966 convention had just such overtones.

It is Mr. Ford's thesis that the problems of our complex society—highlighted by the "population explosion" and the "knowledge explosion" demand that business and government work together as never before. But he cautions that there must be a clear definition of which function belongs to government, which to business.

We in insurance are not immune from government observation and involvement. Where proper and of benefit to those we serve, we welcome it. As Mr. Ford says, business and government need not be enemies. They complement one another. It is obvious, however, that there must be rules governing this partnership—rules that are fair, fixed, and followed. The key question is, therefore: "just who will make these rules?"

I suggest there are three separate but closely allied ways in which strong, viable trade associations—such as those to which we belong—can make a contribution to this cause.

1. Give leadership and direction to their members in achieving excellence of performance—and *really,* but *really,* enforce ethical standards. This way, we preclude as much as possible government finding excuse—real or imagined—to impinge itself unnecessarily on us. More self-regulation is one sure way to stymie too much government regulation.

2. Promote equitable legislation in the best interest of those who buy and use insurance and resist legislation that is unwarranted, unfair, punishing, and hinders the progress of our economy and individual opportunity to practice self-reliance and thrift.

3. Assure a political climate—in our Nation's Capital and at state and local levels—in which our free political institutions and economy can flourish.

Here is a goal that requires more thorough political understanding and more active political participation by each of us—and by the organizations that we've joined to attain strength of numbers.

One might reasonably ponder how well the insurance business generally—and our respective trade associations in particular—are doing in fulfilling their responsibilities inherent in the growing inter-relationship with government.

I suspect that in the federal legislative arena we are doing fairly well—if not always in results, at least in techniques employed. In the increasingly significant area of helping to shape a national political climate conducive to free enterprise, it seems to me we can and must do much more. And the same can be said for giving greater priority to instilling a public affairs consciousness among all components of our business.

Again, let me reiterate that the best way for us to keep government out of our business is to make certain that there are as few voids as possible in the service we render. This is no easy task. It calls for continual upgrading of our present sales force; the recruitment of tens of thousands of more qualified agents; a new emphasis on quality field management; practical innovations in the products we offer; total commitment to the basic ideals of this unique institution.

And it goes without saying, that even our best efforts along these lines will not suffice if we as a business do not give far more than lip-service to state regulation and supervision of insurance. Certainly, state regulation should not be the chink in our armor. Basically, it is a solid concept—affirmed by the Congress and proved effective in more places than not. But as intrinsically sound as state regulation of insurance may be, the hard truth is that it has yet to reach peak performance in every state.

It is the National Association of Life Underwriters' long-time purpose to make certain that this comes to pass—and we have

made great contributions to the cause . . . including strong support to state departments in their quest for adequate budgets and personnel. We as field underwriters believe that our best interests—and that of the companies and public we serve—are advanced by effective state regulation.

The necessary bulwarking of state regulation offers, I believe, an excellent opportunity for all insurance groups to unite in attainment of a common objective. Such cooperative action should also clearly reveal that punitive and unfair legislation aimed at one particular line of insurance could well have adverse effects on others not seemingly directly involved.

We can take a clue in this from Frank J. Barrett, director of insurance of Nebraska and current president of the National Association of Insurance Commissioners. He says that each segment of the insurance business should—rather than remain passively silent—actively support proposed state legislation and regulation that is good for the industry and public, even though the proposal in question may not directly affect that particular insurance company or organization's interest.

I, for one, buy Mr. Barrett's proposition that any legislation or regulation which enhances the quality of state regulation of insurance in one quarter, needs and merits the support of the industry as a whole, to the end that the overall fabric of regulation will be strengthened. I hope that this attitude finds more advocates in insurance circles.

The well-known radio-TV commentator, David Brinkley, has been quoted as saying—*and I quote:* "the decline and fall of the 50 state governments will be completed within our lifetime. The movement of political power from the state capitals to Washington is inevitable and unstoppable whether we like it or not."—*unquote.*

I suspect that most insurance people will challenge this statement—or, at least, will be most exorcised about it. Thus, I would underscore the unusual opportunity we have to slow the trend toward centralized government through the bolstering of state regulation and supervision of insurance. It could well be that the proposal now before the Missouri legislature for a comprehensive revision of your insurance code is such an opportunity.

Chances are that my point is well-understood by this audience. Yet, I feel that it is so significant that I would carry the discussion one step further.

Writing in the February 27 issue of *United States Investor,* Roger Kenney declares—*and I quote:* ". . . a poor public image in one branch of the insurance business has a tendency to breed a poor image for the entire industry. By the same token, a poor image of public regulation in one branch promotes a poor public image of state regulation as a whole"—*unquote.*

Mr. Kenney's comment comes in a thoughtful analysis of Senator Thomas Dodd's bill, introduced in the 89th Congress, to establish a Federal Motor Vehicle Insurance Guarantee Corporation. Such a mechanism would provide protection to policyholders and claimants in automobile insurance companies which have gotten into financial difficulties.

I am not expert on the problems of adequate auto insurance; nor do I think it appropriate for me as a life underwriter to comment on it. Yet, as one in insurance with a disposition towards state regulation of my business, I cannot ignore it. As Mr. Kenney reports, the Dodd proposal has greater implications than appear on the surface!

Fact is that the Dodd bill is just one evidence of the activity and open talk in Washington about taking state regulation out from under the cloak of protection afforded by the McCarran Act. This possibility might be far-fetched . . . and yet just recently Sen. Stephen M. Young of Ohio called for outright repeal of the McCarran Act and suggested in its stead—*and I quote:* "I propose that the Federal Government regulate the business of insurance, including such areas as rates, contracts, advertising, and that a Division of Insurance be established as an important division of the Department of Commerce for the purpose of administering such a statute"—*end of quote.*

Ladies and gentlemen, I think we've had fair warning that all of us insurance people better get in tandem to make certain that state regulation *really*—but *really*—works!

Earlier, I mentioned that voluntary trade associations have had thrust upon them a new and more direct role in helping to shape the political climate in which they operate. This is both an exciting and challenging concept . . . and conceivably another avenue of common endeavor for various component parts of the insurance business.

Sen. Everett McKinley Dirksen recently told a group of professional and volunteer trade association leaders—*and I quote:* "You are going to live in a political climate whether you like it or not. Your challenge is to help shape that climate. That is partisan politics. The right to pick and choose."—*unquote.*

What I think the Senator means is that we certainly have not only a responsibility, but an obligation to take an active interest in government because it touches the lives and livelihoods of every citizen.

Under the leadership of NALU and its affiliated state and local associations, many life underwriters have assumed this obligation.

Some years ago, NALU began a serious effort to encourage its members to participate in the United States Chamber of Commerce's *"Action Course in Practical Politics".* It seems to us that this non-partisan course was a partial answer to the impelling need for life underwriters—as businessmen and as good citizens—to know more about our political institutions and to take a more active part in the political party of their choice.

Yet, as effective as this program was, it soon became obvious to many of us—especially those charged with representing NALU in Federal legislative matters—that much more had to be done to elect men and women to Congress who were at the very least open-minded and objective as regards a proper relationship between government and business . . . who knew that financial open-handedness and more centralized powers are not the answer to our pressing national problems per se. In due course, specific ideas were advanced and field-tested. The upshot was that in July, 1966, a new Life Underwriters Political Action Committee was formed. Its basic purpose: To provide a medium through which life underwriters and others can be politically effective in support of principles and philosophies essential to the preservation of the competitive, private enterprise system.

LUPAC is completely independent, bipartisan, and unaffiliated with any political party. It does not seek to dictate political choices to its members, who, of course, are free to hold and express their individual views. It does not engage in lobbying. But LUPAC does afford life underwriters and others among its membership a new opportunity to unite in the field of practical politics.

Impetus and initial financial support for the administrative operation of LUPAC came from the National Association of Life Underwriters. However, only the contributions of its members—not NALU dues dollars—are used for one of its two primary functions: That of political action in the form of financial contributions to selected candidates for Congress, who, on the basis of records and platforms . . . not party labels—demonstrate their support of our free market economy and issues of prime interest to our business and membership. Its other main function is in the general area of gathering and disseminating political information.

You will be interested in knowing that LUPAC did participate in the 1966 Congressional election. It endorsed and/or financially supported a number of candidates for the House of Representatives—including several from Missouri. The overwhelming majority of these candidates were elected to office.

In balance, LUPAC is a success to date . . . not only in terms of its high batting average on political support, but also in the impact it has made on the business community. It seems to me that here is yet another opportunity for all segements of the insurance industry to make common cause. LUPAC membership is open to all.

Increased political activity can be taken as the most dramatic evidence of the private sector's response to its growing relationship with government. But it is not the only one. Equally significant, and perhaps more lasting in impact, is the clear fact that business is becoming a more social responsibility-oriented sector.

Robert B. Wolcott, Jr., a prominent public relations man, predicts that as this trend accelerates, the public at large will benefit, further government encroachment will be minimized, and a significant turn-about in favorable public attitudes towards business can be realized. I hope he is right.

Those of us in insurance can take pride in our long record of public service and social contributions. Contributions to community well-being just seems to come naturally; yet it is understandable in light of the underlying social significance of our work. There have been personal benefits, to be sure, in greater prestige and acceptance. But far more important is the total contribution to community betterment.

The National Association of Life Underwriters has long had a public affairs consciousness. It is best characterized by our Public Service Program, co-sponsored with the Institute of Life Insurance. Here is an organized activity that enlists and assists local and state life underwriter associations to give leadership in worthy causes and projects on the basis of the large social need—and then appropriately honors them for doing so. Last year some 450 of our affiliated associations were enrolled in the Public Service Program.

Success of the much-honored Public Service Program . . . along with our increased effort to extend the study of money management/family finance subjects in schools demonstrate that no other element of our society can make the kind of contribution to public improvement and social gain that business can. The key is to get involved.

What I am attempting to convey to you is that for us in insurance there are responsibilities that transcend those related to job and family. We must also have a commitment to political education and action and public affairs participation. Events could well prove that our success in these areas will be equally important as our success in effectively distributing more insurance products to more people in shaping the course of insurance in a free economy.

Public affairs activity can be a personal thing. It can appropriately be a part of our organizational fabric. It can often be a catalyst that brings together various components of insurance.

What stands out in today's life insurance picture is the salient fact that despite a whole bevy of pluses during the recent past, we still have been unable to build a field force adequate in size and competence to meet the needs, growth, and higher standards of the marketplace. It could well be that this truism also applies to other lines of insurance.

In short, manpower—how to effectively select, train, and compensate it—is the key

question facing the life insurance business today. In the manner and in the speed that field and home offices work together in harmony to solve it will be found the answer to how successful we will be in the years ahead.

The manpower problem is one of varying dimensions and nuances. For one thing, the career of insurance selling must be made so attractive and portrayed so graphically that we can successfully compete for young men and women. A special effort must be made among college students, a goodly number of whom display frightening hostility towards the business community—and often outright opposition to sales careers.

Each of us and each of our trade associations must do a better job of selling the rewards and essentiality of business—and of insurance careers. If there was ever an opportunity for concerted, cooperative action, this is it! I emphasize concerted, cooperative action because recent polls among college students reveal a frightening fear of insurance and distrust of agents and companies—and the students do not differentiate between life, fire, or auto lines.

It's all summed up for us in a poll conducted recently by a student leader at De Paul University in Chicago. A few of his conclusions—*and I quote:* "Many students have the impression that insurance men wear black hats, the robber barons of business, and that they represent only themselves" . . . "Distrust of insurance agents and companies is due to a lack of information" . . . "The total importance of insurance, what it is and what it means to students, what the agent represents, and what an insurance company does is not at all clear" . . . "Most students have absolutely no exposure to insurance. Courses on the subject should be taught, or for degree credit."—*unquote.*

Again, I am proud to note that NALU is moving forward in the career information field.

High on our organizational agenda at present is the establishment of association school relations committees at local levels that will accelerate this past cooperation . . . and implement the teaching of money management/family finance courses. At the same time, we are doing much to substantially increase the number of secondary school teachers attending Summer workshops in family finance conducted by the National Committee for Education in Family Finance, and are cooperating with the Institute of Life Insurance and the University of California at Los Angeles in the production of a teaching blueprint for family finance classes at adult level.

Keep in mind that what is being done through the money management/family finance approach is channeling where needed more information and expert assistance on the whole range of decision-making in personal and family affairs—how to save, spend, and invest money wisely. Course curricula cover all aspects of insurance, as well as estate planning, consumer finance, investments, social security, home buying, and so forth.

We have barely scratched the surface in this effort. More hands, more money, more participation from insurance people are needed. The public must be encouraged to practice individual thrift and to assume their own security responsibilities . . . young people must be made aware of the fantastic potential of insurance careers. Could there be better reasons for more all-industry cooperation? I think not.

There is no question as to the future. It promises to be as eventful as our past—but bringing with it a new set of challenges. Perhaps the most pressing among them will be that of achieving excellence in the techniques of our own business . . . and being aware and responsible to the ever-changing human condition.

We of The National Association of Life Underwriters anticipate these tasks—and other essential missions, such as enlarging our field forces . . . protecting political and economic institutions that make us not only possible but indispensible . . . adding to the community well-being.

We know they call for unity of purpose and total dedication . . . for bold leadership. I submit that they suggest new and impelling reasons for more cooperation than ever before among the insurance fraternity.

I am deeply appreciative of your attention and hospitality.

Thank you.

TREASURY'S SILVER FAILURES

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CONTE. Mr. Speaker, I have been accorded the privilege and honor to be chosen as a representative from the House of Representatives on the Joint Commission on the Coinage. As such, I have played an active role in the Commission's deliberation concerning the actions suggested and then carried out by the Treasury Department with respect to coinage and silver. I feel, therefore, that it is my duty and responsibility to express the utter dismay and grave misgivings with which I have observed the recent steps taken by the Treasury Department.

On July 14, 1967, the Treasury Department announced that it was no longer going to sell silver at the price of $1.29 per ounce. In the future silver was going to be sold at "going market prices" with the intention of maximizing returns to Treasury. These sales were to be accomplished by accepting sealed bids from industrial users. And a maximum sales limitation of 2 million ounces per week was established. Furthermore, the ban on melting down silver coins established on May 18, 1967, was to be continued.

This combination of actions by the Treasury Department could only lead to one result, the creation of a highly artificially inflated price for this vital and precious commodity. And, this is exactly what has happened.

The Treasury Department has indeed provided for maximum profits for the Treasury from the sale of silver as well as for the speculators who have been so active in silver—but these are totally unjustifiable profits, and they are being derived at the expense of the American public and the many, many citizens of this country who are the ultimate consumers of silver.

The objective with respect to silver that the Treasury should have had, once it could reasonably conclude that no coinage shortage would occur, was clear—to provide an orderly transition to a free market reflective of supply and demand. Instead, what the Treasury has done is to create an utterly chaotic and false market which led in just 2 days to the inordinate rise in the price of silver from $1.29 to $1.87.

It has, in fact, not provided an orderly transition.

It has not provided for a free and true market, but rather an artificial market unreflective of supply and demand.

It has, on the other hand, assured unreasonable and unfair prices for silver and for the silver products which are so much a part of our everyday life.

Within 3 days of the action taken by the Treasury Department price rises for the consumer were announced for such common and everyday items as photography products and silverware, with the latter rising in cost anywhere from 20 to 25 percent. Other increases are sure to result.

It is of noteworthy interest that silver is a necessary product in our defense industry and the price increase will therefore also affect the cost of the war being waged in Vietnam.

In following the inequitable path which has led to these increases, we are confronted with a series of remarkably incongruous circumstances.

In the first place, steps to deal with the silver problem could have and should have been taken as long as 1 year ago. Instead, the Treasury, through its inaction and lack of foresight proceeded to whet the appetite of the speculator and to lay the groundwork for the chaos and disorder which has since occurred.

Silver had until July 14 been sold by Treasury at $1.29 per ounce in order to protect our coinage system. This price had been established to prevent silver from reaching the point where it would become more valuable to melt coins for their metal content than to use them as coinage.

It was necessary to protect these silver coins because we have been in a transistional period from a silver to a nonsilver coinage system and until enough clad or nonsilver coins were available, we could not afford to have our silver coins disappear.

With the failure by the Treasury to timely initiate necessary legislation to free more of its silver for sale to the public, Treasury suddenly found itself last May in the middle of a run on its silver. In order to protect its limited supply of reserves, it took the emergency steps of limiting sales of silver at $1.29 per ounce to domestic industrial users for 2 months supply and banning the melting and exporting of coins. This immediately created a two-price silver market with the price of silver on the world market rising shortly to $1.70.

The Treasury Department meanwhile had consistently taken the position that we would not be in a position to fully rely on a clad-coinage system until after this year's December holiday season when we would have approximately 10 billion clad coins. Furthermore, there was no indication that this view was in anyway changed by the imposition on May 18, 1967, of the ban on melting and exporting coins.

Yet, on July 14, we were confronted with the incredulous statement by Treasury that all of a sudden there was sufficient clad coinage to remove any danger of a coin shortage. We were some one and a half billion coins away from the 10 billion coin minimum that Treasury had established but amazingly

enough, suddenly the amount we had on July 14 was sufficient.

On the basis of this new presumption, Treasury went on to conclude that since the coinage system was safe, there was no further reason to maintain a control on the price of silver.

Despite this strange and contradictory reversal of positions by Treasury, let us continue this discussion in terms of the presumption that a sufficient coinage system had been established as of July 14.

The next priority, as I have pointed out earlier, was clear—to take the necessary steps to achieve a silver market which allowed for the free and open interplay of existing supply and existing demand without the creation of artificial prices and unjust speculative profits.

There has been in this country an exceedingly large and increasing gap between the production and consumption of silver. In 1966 total industrial consumption of silver amounted to 150 million ounces as compared with production of only 42 million ounces.

This gap was filled by the sale of "free silver" from Treasury reserves. It was the extreme shortage of this free silver combined with the failure to yet have enacted the silver certificate legislation providing for 155 million additional ounces to be available as free silver for sale, which led to the Treasury's emergency action of May 18, 1967.

The Silver Certificate Act of 1967, signed into law on June 24, 1967, provided new free silver for the Treasury and as of July 13, 1967, Treasury had 117 million ounces of free silver plus the ability to immediately obtain through write-offs an additional 39 million ounces.

In addition Treasury found itself in control of the largest known reserves of silver in the world by virtue of the two billion ounces of silver in silver coins no longer necessary for our coinage system.

It was incumbent upon the Treasury at this point to make available sufficient supplies of silver to meet the strong demands that existed in order to prevent unreasonable and highly inflated prices for this utilitarian commodity and its end products. And yet Treasury instead announced that it would continue the ban on melting coins and would sell no more than 2 million ounces of silver per week to the public as compared with the almost 4½ million ounces per week that previously had been sold by Treasury this year and the almost 3 million ounces per week that had been sold in 1966.

This action paved the way for Treasury, for silver hoarders and speculators and for silver producers to make large and unreasonable profits at the direct expense of the American public.

With the Treasury sitting on enormous supplies of silver and doling it out in insufficient quantities relative to the demand for silver, the Government is in effect still controlling the price of silver.

By holding back supply, it is creating extremely high artificial prices, along with speculative profits, all of which is being paid for by the American consumer.

It is the average family who likes to take pictures on an outing or on a yearly vacation who will bear the burden of Treasury's maximization of profits.

It is the young housewife purchasing silver for her dinner table who has to pay the hoarders and speculators inequitable profit.

And it is the many, many other Americans who daily use silver products who will have to pay the cost of Treasury squeezing the highest possible profit out of the sale of silver.

And yet how does this Treasury action compare with the President's Economic Report to the Nation last January when President Johnson admonished business and labor, particularly in the metals area, for their insistence in raising prices and wages? Well, it compares very unfavorable indeed. And it is a very sorry state when the Treasury Department, a direct arm of the President, takes steps designed to bring about exactly what the President has requested private enterprise to avoid.

And how does this action compare with the fact that it has been a fundamental precept of the economic system under which we have operated for almost 200 years that supply and demand should operate to determine price uninhibited by governmental interference or controls? Well, it compares very unfavorably with this basic concept.

Nor does it favorably compare with the repeated statements of the Treasury that it wants to get out of the silver business entirely.

Treasury has the authority and ability to provide for a true and free market to determine the price of silver. It is truly unfortunate that they have completely and irresponsibly failed to do this.

I do not think that anyone could or would ever seriously argue that the silver in our silver coins should never reach the consumer public. The important utilitarian purposes that silver serves, combined with the Treasury view that they are no longer needed as coins must lead to the conclusion that silver from these coins should be made available.

The question arises as to how this should be done. The best and most logical way to accomplish this aim would be to immediately lift the ban on melting down coins. In this manner supplies of silver which never would have been withdrawn from the marketplace but for the Government's coinage needs, and which were withdrawn at premium prices, would be allowed to return to the free market where they belong.

This would, furthermore, remove the Government from the role it presently is, and should not be playing—that of significantly influencing and controlling the price of silver.

I do not believe there is legitimate justification for the alternative argument that the Government has the right to and should make any profits from these silver coins as opposed to the people who presently hold them. The Government already made a profit on these coins when it first issued them, in terms of the difference between their cost of manufacture and their face value. It had not been against the law to melt these coins down until the emergency ban on May 17 and in fact, people had been legally melting nickels down for some time prior to the ban because they were worth more for their silver than their face value.

Coins belong to their holders just as do the stamps which the government issues for postage, and it should be the holder's to do with as he wishes.

Furthermore, if the Government were to melt down the silver coins, it would immediately have the largest supply of silver in the world presently available for the open market. There would be no way in which the Government could sell this silver without playing a significant and meaningful role in the market.

The latter would be a highly undesirable result. Our economic system does not and should not envision the Government playing a role in price determination and price control with respect to such items as silver, unless an emergency situation demanded it or unless it was being treated as a monetary metal.

We could very well be faced here with Treasury continuing to dole out smaller amounts than those necessary to meet demand in order to "maximize its profits."

The Government should not play any role in determining, influencing, or fixing the price of silver. And this can never be accomplished as long as the Treasury or the Government is in the position of selling the silver from our silver coins.

Therefore, in order to provide for a truly free market, without Government influence or control, the ban on melting down coins should be lifted immediately. As long as such action is not taken and as long as the Treasury continues to follow its plan of selling 2 million ounces a week at "market prices," the American public and the American consumer is going to be forced to bear the burden and to pay the unjust and unfair price which will permit the Treasury, the speculators and the producers to "maximize" their profits.

EGYPT'S ALLEGED CONTINUING USE OF POISON GAS

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. WYMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. WYMAN. Mr. Speaker, recent reports in the press leave little room for doubt that Egypt has, for several years, been using poison gas against certain villages in its continuing war against royalist forces in Yemen.

Mr. Speaker, this is not rumor. These allegations appear to have been substantiated by an investigation of the International Red Cross, which, together with the Saudi Arabian Government, has produced conclusive evidence that the Egyptians have, in fact, used and continue to use lethal gas.

I am shocked by these reports. This is an intolerable situation, and yet this Congress and the rest of the civilized world are apparently disregarding this barbaric action.

For months now, the Saudi Arabian delegation to the United Nations has been involved in a futile effort to arouse a

sense of indignation within that body. For reasons that I cannot understand, no one is saying anything, and nothing, to my knowledge, is being done to halt this deplorable alleged use of poison gas by Egypt.

Mr. Speaker, how long can the civilized world continue to stand idly by while this practice continues? How long will we continue to permit Hitler-like atrocities, and do nothing about it?

This Congress, this Nation, and the rest of the civilized world, including all shades of political opinion from the "left" to the "right" should demand that this practice be fully and formally investigated. If the charges are indeed true, Egypt should be severly censured, its supply of such gas should be forcibly taken away, and its capability to produce such gas destroyed—sovereignty notwithstanding. World danger exists if this is not dealt with firmly and rapidly. The danger to Israel is more pointed.

Mr. Speaker, the appropriate committees and this Congress should take an initial step by investigating this serious charge to determine its truth. This world cannot, must not, and will not tolerate another Hitler.

To show how serious the situation is I enclose articles from the U.S. News & World Report of July 10, 1967, and the Washington Star of July 6, 1967:

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

IN NEW DETAIL—NASSER'S GAS WAR

LONDON.—Now coming to light are details showing how widespread has been the use of poison gas by Egypt in its war in Yemen.

An investigation by the International Red Cross brought proof of one Egyptian gas attack, against the village of Gahar, in which 75 persons died. The Red Cross reports were published in the July 3 issue of "U.S. News & World Report."

Western intelligence officials say the Red Cross investigation confirmed what has been going on for two years or more. From these sources comes this account of Egyptian gas warfare, largely against civilians:

Since last January, President Gamal Abdel Nasser's forces in Yemen have embarked on an intensified poison-gas campaign. Earlier gas attacks are said to have satisfied Egyptian leaders that world opinion would not be mobilized against them for this violation of the international agreement prohibiting use of gas. In January, these sources say, Egyptians for the first time in history used lethal nerve gases in an air attack on two Yemeni villages—at Hadda on January 4 and at Kitaf on January 5.

More than 200 civilians were said to have been killed in Kitaf.

In April, Egypt was reported to have used mustard gas against three villages held by Yemeni Royalists.

Then, on May 10, Egyptian pilots flying Soviet-built aircraft carried out a gas attack on the village of Gadafa. Fifteen persons were killed.

It was on the same day that 75 were killed in Gahar, in the attack which the Red Cross investigated and confirmed. On May 17, Egyptian raiders returned to Gadafa for another poison-gas attack which reportedly killed 96 persons sheltered in a cave.

When Yemeni Royalists asked for Red Cross assistance, Egyptian bombers returned to the gassed villages and dropped high-explosive bombs in an effort to obliterate traces of the gas raids.

On May 15, Egyptian bombers attacked two Red Cross vehicles en route to the gassed villages. All the Red Cross equipment was destroyed and a Yemeni Red Cross worker was wounded.

Yemeni Royalists report two attacks during June in the Jaul region. There were said to have been no human casualties, but all livestock in the area reportedly was killed.

What's behind this use of gas?

Intelligence experts say that the Egyptians, probably with the aid of German scientists, have developed a range of poison-gas weapons.

Nasser's Army, sent to Yemen to help put down the Royalist uprising, has been stalled for several years.

Now, it is believed, the poison-gas attacks were ordered by frustrated Egyptians in an effort to terrorize the Royalists into submission.

[From the Evening Star, Washington, D.C., July 26, 1967]

EGYPT'S USE OF POISON GAS HEIGHTENS TENSIONS

(By Carl T. Rowan)

Part of the untold drama of the recent Middle East war centered around fears, in Washington and Tel Aviv, that the Egyptians would use a terrifyingly lethal "nerve gas" on the Israelis.

And part of the irony is that the war obscured the fact that the United Arab Republic is using poisonous gases on royalist forces in Yemen.

Reports by the International Red Cross establish beyond doubt that the Egyptians used gas warfare on the villages of Kitaf last January and Gahar in May. An investigating team of Red Cross doctors cabled headquarters that they would not return to Yemen unless supplied gas masks.

Incredibly, despite the surface show of Arab unity in the war against Israel, the Egyptians have within the last three weeks again used poison gas against Yemeni royalists.

Tensions and fears remain high in the Middle East because, although Egypt was so badly beaten in recent fighting that a resumption of conventional warfare seems out of the question, there is always a possibility of the sneak use of gas warfare against Israel.

So great was the fear that gas would be used against Israel when war first broke out that Washington officials moved swiftly and secretly to see that the Israelis got immediate access to 20,000 U.S. gas masks that were in possession of the West Germans.

An urgent shipment of more U.S. gas masks to Israel also was approved. It turned out they were not needed, however, because Israel demolished the Egyptian air force so quickly that the U.A.R. had no chance to resort to gas warfare—if it ever contemplated such.

The Egyptians apparently have no basic compunctions against gas warfare. The Red Cross and the Saudi Arabian government have produced conclusive evidence of such warfare by the U.A.R. in the Yemen conflict.

Last June 2, without naming the U.A.R., the Red Cross confirmed the use of gas in the Yemen and said it was "extremely disturbed and concerned by these methods of warfare." It said it had asked the parties to the war to give a "solemn undertaking" not to use gas or similar poisonous substances.

A report from the Bern (Switzerland) Institute of Forensic Medicine suggests that mustard gas was used in a raid on Gahar the morning of May 10. However, European and other intelligence reports say that Egypt possesses large quantities of a "nerve gas" so lethal that a drop on the skin of the hand could be fatal.

The victim of this gas, which attacks the sympathetic nervous system, reportedly goes into a cold sweat followed by nausea, cramps, loss of equilibrium and convulsions which lead to a coma, and then death.

A variety of reports tell of seeing containers for this gas with markings in the Cyrillic alphabet of the Soviet Union. There has been speculation that the gas was given to Egypt as a normal part of the military aid from the Soviet Union. Some experts on the U.A.R. maintain, however, that Egypt is capable of producing such gases itself.

An almost bizarre aspect of this gas warfare episode is the seeming indifference of the international community. The Saudi Arabian delegation to the United Nations has tried futilely for months to arouse worldwide cries of indignation. But no one, from Secretary General U Thant on down, is saying anything—apparently because of reluctance to get involved in conflict among the Arabs.

But U.N. diplomats surely are aware that Egyptian possession and usage of poison gases keeps Middle East tensions unusually high. The Israelis are bound to remain at a high state of uneasiness—and military edginess.

MR. SAMUEL SPENCER, FORMER PRESIDENT OF THE DISTRICT OF COLUMBIA BOARD OF COMMISSIONERS, OPPOSES THE PRESIDENT'S DISTRICT OF COLUMBIA GOVERNMENT REORGANIZATION PLAN

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. McCLURE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. NELSEN. Mr. Speaker, by means of Reorganization Plan No. 3, the President proposes to replace the executive of the District of Columbia, the Board of Commissioners, with a single Commissioner and a nine-member part-time Council. The powers and duties of the present three-man Board would be divided between the single Commissioner and the Council. Each would be able to exercise veto power over each other. All would be appointed by the President.

The President justifies his plan on the ground that the District of Columbia government needs more "efficiency and responsiveness." I, and many of our colleagues on both sides of the aisle, are deeply concerned that just the opposite will result if the President's plan is allowed to pass unamended.

Mr. Samuel Spencer, former President of the District of Columbia Board of Commissioners, evidently shares our concern as his letter which follows will indicate. His observations stem from his personal experience at the head of the District of Columbia government and as a lifelong resident of the District of Columbia.

In addition to his expressed doubts about the workability of the President's proposal, Mr. Spencer makes several recommendations, among them: continuation of the Board of Commissioners, the employment of a city manager to assist the Board in its administrative functions, and the abolishment by the President of the Office of Adviser to the President on National Capital Affairs, an office which Mr. Spencer and other former Commissioners consider as being disruptive of the lines of communication between the President and the Board of

Commissioners and erosive of the decisionmaking power of the Board.

Mr. Speaker, I strenuously urge our colleagues to make every effort to read and digest Mr. Spencer's letter in order to obtain a more balanced focus on the vital issue involved here. This is important in view of much misinformation that is making the rounds. The letter follows:

NARRAGANSETT, R.I.,
July 19, 1967.

HON. ANCHER NELSEN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN NELSEN: Your letter of July 11, 1967, requesting my comments on the President's plan #3 for the Reorganization of the District of Columbia Government and enclosing a copy of the testimony of management consultant Merrill J. Collett before the House District Committee has been forwarded to me here on vacation. Since I do not have the library facilities available which I would have in Washington, I will not be able to answer your letter as fully and precisely as if I were there, but I am glad to make a few general comments regarding the Reorganization Plan.

I have studied Mr. Collett's testimony. What he says about the combination of policy-making functions and administrative functions in the Commissioners and the division of administrative responsibilities among the three Commissioners is of course true. I think, however, that he has painted the picture in the darkest possible terms and that in practice the District Government has functioned a lot better than reading his statement might lead one to believe. Although over the years there have no doubt been occasions when disagreements between the Commissioners have tended to slow up decision making. I believe that generally the Commissioners have made decisions with reasonable promptness and that delay from this source has not been a major problem in the District Government. The serious delays and stalemates have occurred when conflicts have arisen between District departments and such agencies as the National Capital Planning Commission and the National Park Service which are not controlled by the Commissioners. The Reorganization Plan would not resolve situations of this type.

A three man Board is small enough so that the members can readily keep in close touch with one another, both formally and informally, know one another's thinking, and ordinarily reach decisions very quickly. The usual situation has been a good working relationship among the three Commissioners and a readiness to cooperate in the interest of efficiency and getting things done. Of the thousands of decisions made by the Commissioners the overwhelming majority have been unanimous and have been reached without extended controversy or disagreement. A split Board has been the exception rather than the rule. Although the President of the Board does not have any more authority legally than the other Commissioners, I think that there has been a tendency, both on the part of the public and among the Commissioners themselves, to look to him as the head of the Government and to be receptive to his leadership. Of course, such things depend to a certain extent on the personalities and abilities of the people involved, and the effectiveness of the system obviously suffers if a serious antagonism develops between the Commissioners. However, over the years such antagonisms have, I believe, been infrequent.

Mr. Collett says very little about the Department of General Administration, which has now been functioning for about fifteen years and which has been most useful in pulling together the administration of the District Government and in coordinating the operation of the various departments. The Director of the Department of General Administration has been the central administrative figure in the D.C. Government and a most useful person in initiating and executing all sorts of administrative improvements throughout the Government. The Commissioners have relied heavily upon his judgment and recommendations. He has been a powerful coordinating force among the various departments and has shouldered a tremendous amount of the administrative load.

However, I certainly do not say that the administrative structure of the D.C. Government is perfect or could not be improved. I think that there probably should be a further concentration of administrative authority and that study should be given as to how this can best be accomplished. I believe that ways of increasing the administrative authority of the President of the Board should be explored, also the possibility of employing a *city manager*, under the Commissioners, who would have full administrative authority over all the departments. In addition, I think that the President should appoint the President of the Board rather than having him elected by the Board as is done at present.

It seems to me that the chief difficulty with the proposed Reorganization Plan and the part of it that would work considerably less well than the present system is the nine member Council. Under the Plan all of the so-called policy-making functions of the Commissioners are turned over to the Council, which would be composed of part-time people paid a relatively small salary. The Council would have many duties and responsibilities of a very varied nature. Approximately twenty-seven pages of the President's Reorganization Plan is devoted to a mere enumeration of these duties and responsibilities. Many of them are of the utmost importance. Although the administrative functions may be somewhat more cumbersome under the Board of Commissioners than under a single executive, the policy making functions are certainly far more streamlined under the present three-man Board of Commissioners than they would be under a nine man Council which must work with the single executive and be subject to his veto power. The nine member Council would be much more cumbersome than the Board of Commissioners, and I believe that its decisions would be less expert than those of the Commissioners, who devote their full time and energy to the District Government.

The range of functions of the District Government is broader than that of any state or local government in the country. It includes what are normally municipal, county, and state functions. Thus, the knowledge and information needed to render sound decisions respecting these manifold operations is very great and taxes even full time people of considerable ability. I believe that it is easier for the President to find two persons who have the requisite ability to serve as civilian Commissioners on full time salaries than to find nine part-time people who are capable of doing a good job on the Council. Councilmen will have a hard and thankless job with relatively little prestige and heavy responsibilities.

As an example of the manner in which the Council will operate, let us take the budget. Under the President's proposed Reorganization Plan the single Commissioner sends his proposals to the Council which is responsible for making up the budget, which is then sent to the Federal Bureau of the Budget and finally to Congress. To make sound decisions on the budget requires an intimate knowledge of the District Government in all its various aspects. In my view, the Commissioners are far better equipped to make these decisions than the members of the Council would be. However, the new system would be far more cumbersome than the present one. At the present time the department heads make recommendations regarding the budget, the Commissioners then hold hearings on these recommendations and determine the budget, which is then sent to the Federal Bureau of the Budget and to Congress.

Under the President's new proposal, presumably the single Commissioner would have to go through much the same process as the present Commissioners now do in order to develop his recommendations to the Council. The Council would then hold hearings and make its decisions, which would be slower and more difficult because nine people instead of three would be making the decisions. The Council's decisions would then be subject to review and possible veto by the Commissioner. In the case of a veto, the budget would probably go back to the Council for further consideration and possible overriding of the veto. Then the whole procedure before the Congressional Appropriations Committees would take place as at present. This seems to me to be a very long and cumbersome exercise, which would be most demanding on the time of all concerned and would probably not result in as good decisions as the present system. Furthermore, it would be difficult for the Congress to pin down responsibility for the decisions. At the present time the Commissioners are at least fully responsible to Congress with respect to such matters.

The present Commissioners have ordinance making powers covering many and varied subjects. Under the Reorganization Plan these powers would be transferred to the Council. Many of these regulations are quite technical in nature. They involve such matters as the Building Code, the Police Regulations, the Housing Code; Regulations for Hospitals, Nursing Homes, undertakers, Traffic Regulations, and a host of other matters. It seems to me that the Commissioners are more expert, better informed, and generally better qualified to deal with these questions than members of the Council would be. I think that over the years the level of performance of the Commissioners in these areas has been high.

I would like to comment briefly on the institution of the Engineer Commissioner. It is true that to have an Army officer in a position of responsibility in a city government is most unusual and somewhat contrary to accepted governmental theory. However, the proof of the pudding is in the eating, and it seems to me that this institution has worked very well under the unusual conditions which exist in the District of Columbia, with the strong federal interest in its government. I think that the District of Columbia and its citizens have benefitted greatly from this institution. The caliber of the men appointed as Engineer Commissioner has been very high. They have been men of unusual ability, the highest character, and great dedication to the public service. They have been keenly aware of their responsibilities to the citizens of the District and have been readily approachable by them. They have helped to import to the District Government an honesty, administrative efficiency, and freedom from corruption in contracts and public works, which many local and state governments could well emulate. I think that the Congress should be very slow to abolish the office of Engineer Commissioner.

There is one other matter which I would like to touch upon briefly. In my opinion the position of White House staff Advisor for District of Columbia affairs, which was set up a few years ago, has tended seriously to undermine the Commissioners and should be abolished. The President should handle his liaison with the District Government and his participation in District of Columbia af-

fairs through the President of the Board of Commissioners. The same problem will exist if the Reorganization Plan goes through. The White House staff advisor would tend to undermine the new single Commissioner just as he does the present three Commissioners. I say this without intending to be in any way critical of the two persons who have held this position, both of whom are very able men and public servants of the highest type. I simply think that this position is organizationally unsound.

To summarize, I recommend that the Board of Commissioners be continued, that study be given to concentrating administrative authority by increasing the powers of the President of the Board and by other means (city manager), that the President of the Board be appointed by the President, that the ordinance and policy-making powers be continued in the Commissioners, and that the position of White House staff Advisor for District of Columbia affairs be abolished.

Sincerely yours,

SAMUEL SPENCER,
Former Commissioner of the District of Columbia.

SUPPORT OF WISCONSIN CONSERVATION COMMISSION FOR ALEWIVES BILL

Mr. McCLURE. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SCHADEBERG. Mr. Speaker, the alewives, as everyone knows, are the little fish that have caused the big stink on the shores of Lake Michigan. Their propensity to die by the millions has ruined the pleasure of millions of vacationers who had hoped to enjoy the lake.

Ever-accumulating dead fish is an intolerable situation that requires action not only to remove the piles of rotting fish, but to eliminate the cause of the problem. State and local authorities have been doing a fine job of coping with this mess, but a Federal-State partnership would encourage even greater sustained efforts to prevent further recurrence of alewives' pollution. For this reason, I introduced H.R. 11271 and thus joined the fine work my colleague the gentleman from Wisconsin [Mr. ZABLOCKI] has been doing.

Today, I was pleased to learn that the Wisconsin State Conservation Commission has endorsed this approach. As I have a high regard for the ability of this commission and know that they have been constantly in the forefront of the efforts to maintain the ecology of the lake, I am grateful for the recent letter of Mr. James Smaby, chairman of the commission. The letter follows:

STATE OF WISCONSIN
CONSERVATION COMMISSION,
La Crosse, Wisc., July 20, 1967.

Hon. HENRY C. SCHADEBERG,
House of Representatives,
Washington, D.C.

DEAR MR. SCHADEBERG: Thank you for your letter of July 6, 1967, transmitting a copy of bill H.R. 11271 which you have introduced in the House of Representatives. I am very pleased to note that you are taking definite action on a proposal to control or eliminate the alewife and other such pests from the waters of the Great Lakes.

I have reviewed the contents of this bill, and I wish to advise you that the Conservation Commission and the State of Wisconsin are wholeheartedly in support of your proposal to conduct studies, research and investigations in connection with the abundance and distribution of the alewife and the effect of this species of fish on the pollution of the Great Lakes and the recreational activities. Under the conditions which exist at the present time, specifically along our Lake Michigan shoreline, we realize that active consideration must be given to this problem. One phase of these studies certainly should be directed toward the possible control measures which may be applied to alleviate the nuisance which is created along our shoreline by the heavy mortalities of this fish which apparently occur annually.

It is noted that under the provisions of this bill the costs of such action are to be borne equally by the federal government and by the states, acting jointly or separately, and that the total appropriation provided would not exceed $5 million for the federal share of the program authorized under the act. Although there would be a problem faced by Wisconsin, as well as other states, in providing the matching funds to utilize this appropriation, I can assure you that the Wisconsin Conservation Commission will be very happy to explore all possible sources of funding in the event that favorable action is taken on this bill by the United States Congress.

Thank you for providing me with the opportunity to comment on this desirable legislation.

Very truly yours,

JAMES R. SMABY,
Chairman.

PERSONAL ANNOUNCEMENT

Mr. GERALD R. FORD. Mr. Speaker, I was absent on official business, and therefore not present on the floor at the time of rollcall No. 187. If I had been present I would have voted "yea."

FIFTY YEARS OF SERVICE BY J. EDGAR HOOVER

The SPEAKER pro tempore (Mr. PRICE of Illinois). Under a previous order of the House, the gentleman from Illinois [Mr. COLLIER] is recognized for 60 minutes.

Mr. COLLIER. Mr. Speaker, I take this time, late though it may be, to pay tribute to one of the greatest Americans of our generation—indeed one of the most dedicated and able public servants of this century. He is J. Edgar Hoover, Director of the FBI, who today marks his 50th year with the U.S. Department of Justice.

John E. Hoover was born in Washington, D.C., January 1, 1895. Early in his Government career he had a coworker who was also listed on the payroll records as "John E. Hoover." As the story goes, the John E. come-lately agreed to part his name on the side in order to avoid confusion. Perhaps the other John E. Hoover will some day be mentioned in the history books, with a footnote in the chapter devoted to J. Edgar Hoover.

Young Hoover attended the public schools and was graduated from George Washington University Law School in 1916 and received his master's degree in law in 1917. His first Government job was with the Library of Congress, where he began work October 13, 1913. Fifty years ago today, July 26, 1917, he began his career in the Department of Justice, at a starting salary of $990 per annum. Later in 1917 Hoover was put in charge of a unit in the Department's enemy alien registration section.

In 1919, Attorney General A. Mitchell Palmer named Francis P. Garvan as Assistant Attorney General in charge of all investigations and prosecutions that dealt with the problem of bomb explosions. As part of Garvan's administrative staff, Palmer established a General Intelligence Division with J. Edgar Hoover, the special assistant to the Attorney General, in charge. Hoover received instructions to study subversive activities in this country in order to determine their extent and what action could be taken in the way of prosecution.

As he pursued his studies of the background of the Communists, Hoover became aware that a conspiracy, with headquarters in Moscow, was dedicated to the overthrow by force and violence of all non-Communist governments throughout the world, including the Government of the United States of America. He recognized that the writings of Karl Marx, Friedrich Engels, Leon Trotsky, Nikolai Lenin, and their disciples were a blueprint for placing the entire world under Communist domination, not by means of free elections and free choices, but by violence and subversion. He realized that the actions of the Communist Party were part of the conspiracy. He has never lost sight of that fact.

As a result of a shakeup in the Department of Justice, Hoover was transferred to the Bureau of Investigation as Assistant Director on August 22, 1921; his annual salary was $4,000. Harlan Fiske Stone, who became Attorney General in 1924, began a search for the best man to place in charge of the Bureau in place of William J. Burns. He mentioned his problem at a Cabinet meeting. Herbert Hoover, the Secretary of Commerce, returned to his office and told his assistant, Lawrence Richey, that Stone was looking around for an intelligent young man to head the Bureau of Investigation. Richey asked:

Why should they look around when they have the man they need right over there now—a young, well-educated lawyer named Hoover?

The Secretary asked:

You think he can do the job?

Richey replied:

I know he can.

On May 10, 1924, Attorney General Stone summoned J. Edgar Hoover to his office and said:

Young man, I want you to be Acting Director of the Bureau of Investigation.

Hoover replied:

Mr. Stone, I'll take the job—on certain conditions.

Stone asked:

What are your conditions?

Hoover replied:

The Bureau must be divorced from politics. It must no longer be a catchall for political hacks. We must base every appointment on merit. We should make promotions on proved ability only, and the Bureau should be responsible to no one but the Attorney General.

Stone said:

I wouldn't give it to you under any other conditions. That's all for now. Good day.

As he related the story over a third of a century later in a magazine account, "Appointment with Destiny," he told about his most inspiring moment:

I resolved then and there to dedicate my full energies to making the FBI an organization which was efficient at all times, where employment was based strictly on merit, and where political string-pulling could not exist. I knew that only in this way would the FBI win and hold the respect of the people.

I feel today, as on May 10, 1924, the challenge to be a servant of my fellow man and my God. For behind that challenge lies a basic truth of the universe: good *will* triumph over evil; fidelity, bravery, and integrity *will* make men great.

It was easy for the Attorney General and the new Acting Director to agree on basic policies for the Bureau of Investigation. Three days after Hoover's appointment as the acting head of the organization, it was agreed:

First. The Bureau would be a fact-gathering organization, and its activities would be limited strictly to investigations of violations of Federal laws.

Second. Investigations would be made at and under the direction of the Attorney General.

Third. The personnel of the Bureau would be reduced as far "as is consistent with the proper performance of its duties."

Fourth. The incompetents and the unreliables would be discharged as quickly as possible.

Fifth. All the "dollar-a-year" men, "honorary" agents, and others not regularly employed would be cut from the rolls.

Sixth. No new appointments would be made without the Attorney General's approval—and preference would be given to men of good character and ability who had some legal training.

These instructions gave Hoover elbow room in which to carry out his reforms. In a note to Attorney General Stone, sent 6 days after the latter had appointed him Acting Director, Hoover said:

I have . . . instructed the heads of the respective Divisions of the Bureau that the activities of the Bureau are to be limited strictly to investigations of violations of the federal statutes under your direction.

In letters and instructions to special agents, Hoover hammered over and over on a central theme:

This Bureau is to operate solely upon the basis of efficiency. Influence, political or otherwise, will not be tolerated and any Agent or employee of this Bureau resorting to same will be disciplined.

In May 1925, Hoover explained why he had such strong feelings about agents conducting themselves with circumspection. In a personal and confidential letter to all special agents in charge he told them:

I want to bring to your personal attention certain conditions existing in the Bureau in the past and which I do not intend shall continue in the future. . . . I do know that some years past the forces of the Bureau of Investigation did not enjoy the best reputation. . . . I am strongly of the opinion that the only way whereby we can again gain public respect and support is through proper conduct on our part.

I do believe that when a man becomes a part of this Bureau he must so conduct himself, both officially and unofficially, as to eliminate the slightest possibility of criticism as to his conduct or actions.

This Bureau cannot afford to have a public scandal visited upon it in view of the all too numerous attacks made . . . during the past few years. I do not want this Bureau to be referred to in terms I have frequently heard used against other governmental agencies.

What I am trying to do is to protect the force of the Bureau of Investigation from outside criticism and from bringing the Bureau of Investigation into disrepute because of isolated circumstances of misconduct upon the part of employees who are too strongly addicted to their own personal desires and tastes to properly keep in mind at all times and upon all occasions the honor and integrity of the service of which they are a part.

The Attorney General appointed Hoover Director of the Bureau of Investigation on December 10, 1924. In a later letter to Dean Young B. Smith of the Columbia University Law School, Stone said:

I took the responsibility of appointing Mr. Hoover as head of the Bureau of Investigation, although many people thought that Mr. Hoover was too young a man, and had been in too close contact with the Burns regime to be given the post. I thought I knew my man, and the event has proved that I was right. I found him responsive to the ideas I held, that efficient police work could be done by men who were not crooks and who did not resort to crooked methods. Mr. Hoover has steadily built up the Bureau.

When a rumor that ex-agents were being given access to Bureau information came to the ears of Director Hoover, he wrote all employees on February 27, 1925, saying:

Rumors . . . have come to my attention, that former employees and officials of the Bureau may be able to obtain information of the Bureau's work and activities and may be shown special consideration in their dealings with the Bureau. Such a report, I trust, is without foundation, but I want to make certain that all employees of the Bureau understand fully that there is to be no special consideration shown to anyone whether or not he has been previously connected with the Bureau . . . and, further, that the files, records, and activities of this Bureau . . . are not to be discussed with or disclosed to anyone not officially connected with the Bureau or Department.

A few days after Hoover had transferred an agent who had been too active in politics, a Senator with considerable influence called on the Director and demanded to know why the transfer had been made. The Senator needed the agent to work in his campaign for reelection. Hoover told the Senator:

I'm very sorry, but I think it will be best for the agent and best for the Bureau if he gets away from his political ties. This will give him a new chance.

The Senator snorted:

I'll take this up with the Attorney General.

Fifteen minutes later Hoover was summoned to Stone's office. Stone asked:

Hoover, what are the facts in this case?

Hoover explained the situation. Stone said:

I think you are not on entirely sound ground. I'm surprised you didn't fire the fellow at once.

On January 2, 1932, Associate Justice Stone wrote Hoover:

I often look back to the days when I first made your acquaintance in the Department of Justice, and it is always a comfort to me to see how completely you have confirmed my judgment when I decided to place you at the head of the Bureau of Investigation. The Government can now take pride in the Bureau instead of feeling obliged to apologize for it.

On March 4, 1933, while riding with Franklin Delano Roosevelt from the inaugural ceremonies, Herbert Hoover pointed out to his successor that the Bureau had been reorganized and operated on a nonpartisan basis and expressed his hope that it would continue under young Hoover's management. The two Hoovers were not related to each other. The new President promised to look into the situation and see what he could do.

In July 1933, President Roosevelt decided that Hoover should remain in charge of the Federal Bureau of Investigation. J. Edgar Hoover has served in the Department of Justice under the following chief executives: Woodrow Wilson, Warren G. Harding, Calvin Coolidge, Herbert C. Hoover, Franklin D. Roosevelt, Harry S. Truman, Dwight D. Eisenhower, John F. Kennedy, and Lyndon B. Johnson. He has been head of the Bureau during the incumbencies of all but the first two.

During his service with the Federal Bureau of Investigation, J. Edgar Hoover has frequently paid his disrespects to criminals and those who aid and abet them. He has referred to criminals as "scum from the boiling pot of the underworld," "craven beasts," "public rats," "vermin," and "vultures." He has hammered on the theme that criminals and those who knowingly associated with them were the real public enemies. He has criticized "venal politicians" who were allies of the underworld, and lawyers who were the respectable fronts for gang operations. He has spoken out against crooked police and has described those who abused the States' parole systems by turning habitual criminals loose time after time to commit more crimes as "sob sisters" and "sentimental yammerheads."

J. Edgar Hoover is one man whom gangsters soon learned they could not threaten with impunity. I will let Donald F. Whitehead relate the story from the pages of his book "The FBI Story":

In the parade of criminals, Alvin Karpis in time was labeled "Public Enemy Number 1"—wanted for the $100,000 extortion-kidnaping of William Hamm, Jr., of St. Paul, Minnesota, and on local charges of murder. He was known in the underworld as "Old

Creepy." Hoover frequently referred to Karpis as a "rat," and finally this sneering barb riled Karpis. He sent word to Hoover that he intended to kill him.

Hoover issued instructions that when agents received any information on Karpis' whereabouts, he was to be notified so that he might take charge of the case. FBI agents mentally tagged Karpis as the Boss's man.

Hoover was in New York on the afternoon of April 30, [1936] when he received word that Karpis had been trailed . . . to New Orleans, where he was reported living in an apartment house on Canal Street. He flew to New Orleans with a squad of special agents. The local police weren't notified. No chances were taken on a "leak" flushing Karpis into flight.

As Hoover and his men approached the apartment building by automobile, Karpis and a companion unexpectedly walked out the door. For a few tense seconds the FBI cars were blocked by a man riding a white horse up the street, then the horse moved out of the way. Karpis climbed into his automobile. Hoover ran to the left side of the car and Assistant Director Earl Connelley to the right side. Hoover reached into the car and grabbed Karpis before he could reach for a rifle on the back seat.

"Put the handcuffs on him," Hoover ordered. But no one had remembered to bring handcuffs. An agent pulled off his necktie and tied Karpis' hands behind him. "Old Creepy," all the bravado gone and ashen with fear, was put aboard a special plane to be flown to St. Paul, Minnesota, to stand trial for the Hamm kidnaping.

Karpis was given a life sentence for the Hamm kidnaping.

Thus the boss of the G-Men made his first arrest. Then he followed it up with others equally spectacular.

One of these was the arrest of the notorious Louis (Lepke) Buchalter whose gang forced the baking industry alone to pay them an estimated $1,000,000 for protection.

As the FBI closed in on Buchalter, Walter Winchell broadcast a radio appeal for the gang leader to surrender, with the promise that his civil rights would be respected by the FBI. Negotiations began immediately between intermediaries of Buchalter and Winchell and finally an agreement was reached.

On the night of August 24, 1939, Director Hoover walked alone through New York City's streets to the corner of 28th Street and Fifth Avenue. And there the hunted man, Buchalter, surrendered to him. The FBI got Buchalter, and Winchell got an exclusive story. Buchalter was turned over to state authorities and later was executed for murder.

When Hoover spoke out against abuses of the parole system and "sobsister wardens," prisons which were like "country clubs," and "convict-coddling," the National Probation Association tried to have him gagged. President Roosevelt and the Attorney General were asked to force Hoover to "refrain from issuing statements which are derogatory and destructive to the advancement of probation."

Hoover wrote to the Attorney General:

While it is a fact that from time to time in my public addresses I have taken occasion to criticize the administration of the parole and probation system, I have never criticized or denounced the theory or principle of parole or probation.

Hoover told Cummings:

What I have talked about has been the administration of those systems by venal politicians and by inefficient and corrupt influences in some of our States, and I have not dozens, but literally hundreds and running into thousands of cases to prove my point.

In a letter to the Topeka Capital in 1936, Hoover said:

The Federal Bureau of Investigation believes that the secret of crime eradication lies not in a national police force but in solidarity and the combined linking of all law enforcement agencies. It believes in a close-knit cooperation, each unit capable of handling its peculiar problems but capable also, when necessary, of mobilizing its efforts in a concerted drive against the criminal element of this country.

He once stated his aims thus:

I want to see our field of activity become a real career, a profession, to which can be attracted the decent, honorable, respectable young men of the country who can go into it as a career and look forward to making something out of their life's work, rather than as a dumping ground, as all too frequently it has been, for some ward politician to use in repaying his obligations to his political party.

Hoover laid down these ground rules regarding cooperation between law enforcement agencies:

The FBI is willing and ready to cooperate with all law enforcement agencies. The only exceptions are when officers of the law are corrupt and controlled by venal politicians; when they can't keep a confidence and be trusted; or when they are so incompetent that to cooperate with them would defeat our purposes.

The Federal Bureau of Investigation has been just as active in the fight against subversion and treason as it has been in the never-ending war on crime and criminals. Late in 1923 a subcommittee of the Senate Foreign Relations Committee asked the Department of State to present its position regarding the recognition by the United States of Soviet Russia. Secretary of State Charles Evans Hughes requested J. Edgar Hoover, then the Bureau's Assistant Director, to prepare the brief for his use on Communist activities in the United States. Hoover's brief, which was supported by original documents, traced the interlocking relationship and control of Soviet Russia over the Third International and Communist leaders in the United States in the preparation and advocacy of the use of force and violence to obtain Communist ends. Hoover sat with Hughes at the witness table. Their presentation was neither controverted nor denied by Communist leaders in the United States or abroad. The subcommittee refrained from acting favorably on the Senate resolution to recognize the Soviet Union. It remained for Franklin Delano Roosevelt to recognize the Communist regime in 1933.

Although the Communists are known to have made numerous efforts to penetrate the Federal Bureau of Investigation, there is no evidence that they have ever succeeded. There are many agencies of the executive branch of which this cannot be said.

During World War II, J. Edgar Hoover rendered a tremendous service to his country by helping to keep the Communist secret police, the NKVD, from setting up an office in this country. Once again I will let Don Whitehead recite the facts from "The FBI Story":

In early 1944, FBI Director Hoover received confidential reports from the Pentagon and the State Department which alarmed him. The reports came from sources too reliable to be doubted and both had the same documented story: arrangements were being made for the Communists' secret police, the NKVD, to set up an office in Washington.

Without prior clearance from the White House, Secretary of State Hull, or the Joint Chiefs of Staff, the Office of Strategic Services had agreed with Russia's Commissar of Foreign Affairs Molotov for an exchange of missions which would permit OSS men to go to Moscow and NKVD men to come to Washington.

Presumably, each agency would act only in a liaison capacity in the interchange of intelligence. But Hoover knew that each country which had tried such cooperation with the Russians had found itself in trouble trying to curb the NKVD's efforts at espionage.

Hoover sent a special messenger to the White House with the following confidential letter dated February 10, 1944, to Harry L. Hopkins, the President's close friend and aide:

"DEAR HARRY: I have just learned from a confidential but reliable source that a liaison agreement has been perfected between the Office of Strategic Services and the Soviet Secret Police (NKVD) whereby officers will be exchanged between these services. The Office of Strategic Services is going to assign men to Moscow and in turn the NKVD will set up an office in Washington, D.C. This agreement, I am advised . . . has gone so far that War Department officials now feel they cannot change the program.

"I wanted to bring this situation to your attention at once because I think it is a highly dangerous and most undesirable procedure to establish in the United States a unit of the Russian Secret Police which has admittedly for its purpose the penetration into the official secrets of various government agencies. The history of the NKVD in Great Britain showed clearly that the fundamental purpose of its operations there was to surreptitiously obtain the official secrets of the British Government. I am informed that various other countries where the NKVD has operated have had a similar experience with it.

"I feel that it will be highly dangerous to our governmental operations to have an agency such as the NKVD officially authorized to operate in the United States where quite obviously it will be able to function without any appropriate restraint upon its activities. In view of the potential danger in this situation I wanted to bring it to your attention and I will advise you of any further information which I receive about the matter."

Sincerely,

J. EDGAR HOOVER.

Hoover sent a memorandum to Attorney General Biddle advising him of this development. He passed on to Biddle the same warning he had given Hopkins, adding:

"Secret agents of this agency in the United States operating surreptitiously have been engaged in attempting to obtain highly confidential information concerning War Department secrets. I think that the establishment of a recognized unit of the NKVD in the United States will be a serious threat to the internal security of the country."

The "War Department secrets" to which Hoover referred were the secrets of the atomic bomb, which were being guarded in the Army's Manhattan Engineer District.

The exchange of intelligence missions was blocked by the White House and quietly forgotten by everyone concerned.

It remained for the Rosenbergs and others to steal the Nation's atomic secrets for the benefit of our enemies.

I know that a number of my colleagues are waiting to add their tributes to mine, but let me briefly recapitulate some of the accomplishments of J. Edgar Hoover during his years at the helm of the Federal Bureau of Investigation. Included among the programs which he initiated to strengthen the Bureau are: the founding of the Identification Division in July 1924; the creation of the FBI Laboratory in November 1932; the opening of the FBI National Academy on July 29, 1935; and the beginning of the National Crime Information Center in January 1967.

There were 441 special agents and 195 clerical employees in the Bureau in 1924; today it has over 15,000 employees, including 6,600 special agents.

Mr. Speaker, J. Edgar Hoover would have been a success in any other field that he might have chosen. Certainly he would have made a great President of the United States, but then we would only have had his services for a brief 8 years. As it is, we have had the benefit of his ability, his loyalty, his dedication, his advice, and his example for half a century—an amazingly long period of time for one individual to serve his country and his fellow Americans.

When the Lord walked the earth, he told his disciples, "Woe unto you, when all men shall speak well of you." J. Edgar Hoover has never had that worry, as there have always been men who would speak nothing but ill of him. All I can say in reply to these men is what was once said of another great American, "We love him for the enemies he has made."

GENERAL LEAVE TO EXTEND

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of this special order in tribute to J. Edgar Hoover.

The SPEAKER pro tempore (Mr. PRICE of Illinois). Is there objection to the request of the gentleman from Illinois?

There was no objection.

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

Mr. COLLIER. I yield to the gentleman from Missouri.

Mr. HALL. Mr. Speaker, I appreciate the gentleman from Illinois yielding and I certainly wish to join with him in his remarks about this great American citizen and this great leader of men, J. Edgar Hoover.

Mr. Speaker, it was my privilege to work during World War II with the directorate of the Federal Bureau of Investigation and the men and boys alike who have shared in and have been benefited by the confidence and stature that J. Edgar Hoover exudes as he organizes and leads and directs our security forces around the world, most of whom he has trained.

Mr. Speaker, we are thankful to the good Lord, as the distinguished gentleman from Illinois [Mr. COLLIER] has said, that he has spared this man and his mental acumen for so long during which to serve his nation.

Mr. Speaker, what a paradox it is that he continues to serve our Nation today as it is being rocked and buffeted with turmoil and riots, disturbances, which J. Edgar Hoover has striven to prevent and which indeed he would have prevented had he had the power of the higher tribunals, and the judiciary, and the support of the Department of Justice.

Mr. Speaker, the record will reflect that in all instances his findings have been based upon legislation passed by this body. As a result of his diligent efforts and his intelligent application of the art of his profession, all of us are better able to sleep at night because of the efforts of J. Edgar Hoover.

Mr. Speaker, the place of J. Edgar Hoover in history in making this Nation great is unexcelled by any other man.

I thank the gentleman for yielding. We join with the gentleman from Illinois in this 50th anniversary celebrating the service of J. Edgar Hoover to this Nation.

Mr. COLLIER. I thank the gentleman from Missouri for his contribution.

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

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

Mr. McCLORY. Mr. Speaker, I thank the gentleman from Illinois for yielding.

Mr. Speaker, I want to join in the gentleman's tribute which is being paid today to the Director of the Federal Bureau of Investigation, the Honorable J. Edgar Hoover.

Mr. Speaker, I have had the privilege, during this session of Congress and during the last session of Congress, to serve as a member of the House Committee on the Judiciary. During that time we have considered a great many anticrime measures, and to have had the support of J. Edgar Hoover in behalf of meaningful and worthwhile legislation along this line.

Mr. Speaker, I am confident that the Nation, and the people of this Nation, today associate the subject of law enforcement with the name of J. Edgar Hoover. I know also that under his able direction, the Federal Bureau of Investigation has come to mean faithful dedication and devotion to the enforcement of the law.

I would also like to mention the fact that under his jurisdiction there has been established an FBI school which is a wonderful training ground for law enforcement officers around our land. There is no greater credit which a local law enforcement officer achieves than to have his certificate of having been graduated from the FBI school.

I am hopeful this type of law enforcement training can be extended and expanded eventually in accordance with the pattern of the FBI school under J. Edgar Hoover's direction so that we can follow through on the guidance and leadership at the Federal level which he has established for assuring this Nation of a better and stricter enforcement of our laws around our land.

Mr. Speaker, I am happy and proud to associate myself with the remarks of the gentleman from Illinois.

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

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

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

Mr. GROSS. Mr. Speaker, I appreciate this opportunity the gentleman has extended to the Members of the House to express a few words in tribute to Mr. J. Edgar Hoover, a great and dedicated public servant.

Mr. FINDLEY. Mr. Speaker, today marks the 50th anniversary of service of one of our outstanding public officials, Director of the Federal Bureau of Investigation, John Edgar Hoover. Mr. Hoover is to be highly commended on his excellent job in helping to maintain the American way of life. It is the Federal Bureau of Investigation that has been responsible for protecting the liberties we all share. In Mr. Hoover, the Nation has a reliable and respected public servant that has become a hallmark of the system which he has directed.

The history of the Bureau has been quite aptly described in a book by Don Whitehead, "The FBI Story" and I should like to quote some excerpts from it:

The FBI had its beginning in 1908 when President Theodore Roosevelt demanded an investigative agency in his crusade against the "land thieves" in the West and the big-business "trusts" in the East. For many years the agency was known as the Bureau of Investigation. It wasn't named the Federal Bureau of Investigation until 1935 although we shall refer to the Bureau as the FBI prior to that date.

Here, in summary, is how the FBI developed through the years:

1908–24

In its beginning, the Bureau was a disorganized and loosely directed agency without character or discipline. Washington held little control over the agents in the field. There were no fixed standards of training or personal conduct. Political endorsements carried more weight than experience or character in the selection of agents.

The small and inept force of 219 agents which existed in 1915 failed in its first great mission. It was totally unequipped to deal with the clever espionage and sabotage ring of World War I which was organized by German Ambassador Johann von Bernstorff. Saboteurs were left free to bring about such outrages as the infamous "Black Tom" explosion in New York Harbor, which destroyed the United States' greatest arsenal with a mighty roar heard for more than a hundred miles. They destroyed defense plants with explosives and fired wheat fields in the West.

These were years of violent social unrest, when men preached anarchy, when mysterious bomb explosions spread terror, and when the Communist Party was first formed in America to advocate the overthrow of the government by force and violence. In combating violence, the Bureau's agents were not trained to protect civil liberties in such affairs as the "Palmer Red Raids" of 1919, when alien extremists were rounded up for deportation. Vigilante groups took the law into their hands in many cases.

These also were the years when corruption spread through the country and into the government in Washington. And the time came at last when the Bureau itself was threatened with destruction by the indignant public reaction to dishonesty.

1924–33

Attorney General Harlan Fiske Stone took the advice of President-to-be Herbert Hoover and named young J. Edgar Hoover (no relation) to do a housecleaning job in the Bureau of Investigation. Hoover's first move was to fix high standards of personal conduct for his agents. Then he began to get rid of the political appointees who couldn't measure up to these standards. They were

replaced by young men with training as lawyers and accountants.

Hoover brought the agents under strict supervision. Procedures were set up for checking on their conduct and performance. Uniform operating procedures were adopted. A school was established for training new agents. The FBI became an organization with character and with a firmly fixed purpose—to make law enforcement an honorable profession for trained career men.

1933–39

The times demanded an aggressive, hard-hitting campaign against gangsters who were running wild across the country in the aftermath of Prohibition. The clean-up job was given to the FBI.

Agents were trained by Marine and Army experts to shoot fast and shoot straight. Congress gave them the authority to carry weapons and to make arrests. A series of crime bills extended the FBI's jurisdiction to deal with kidnapings, bank robberies, extortions and other crimes.

During these years, Hoover and his men emerged as the "G-Men" (the nickname coined by George "Machine Gun" Kelly, short for government men), who couldn't be corrupted by all the millions of gangland. These were the slam-bang, rough-and-tough years of blazing gun battles with the John Dillinger gang, the Barker-Karpis gang and other hoodlum combinations who were terrorizing the Middle West.

The FBI was hardened as a mobile crime-fighting organization. Hoover brought science into the fight against criminals with the establishment of the FBI Laboratory. The FBI National Academy was organized to train local police officers in the latest crime-fighting techniques and to encourage federal-local cooperation in law enforcement as the means of avoiding the national police force which was being demanded at that time.

1939–45

During these war years, the FBI's operations assumed a new dimension. President Roosevelt made the Bureau responsible with the Army and the Navy for guarding against espionage, sabotage and subversion. The FBI became not only a crime-fighting organization, but also an intelligence agency.

In startling contrast to the Bureau's fumbling in World War I, the FBI was alert to Nazi espionage, and spy rings were broken up long before the United States entered the war. There was not a single case of foreign-directed sabotage throughout the war—no "Black Tom" explosions and no saboteurs' fires sweeping through chemical plants. And the huge war job was carried out with meticulous regard for civil rights. There were no mass raids and no vigilantes.

In a super-secret operation, FBI agents went into Central and South America to help friendly governments break up Nazi spy rings and search out hidden radios pouring intelligence information into Germany.

In contrast to intelligence work in the past, which had been limited to specific, short-term assignments, President Roosevelt made the FBI's responsibility a continuing one, involving a broad new front.

1945–56

During the Cold War years, the FBI concentrated largely on the fight against communism in addition to the upsurge in crime. In 1936 President Roosevelt had given the FBI a secret directive through Secretary of State Cordell Hull to investigate Communist activities throughout the country, and agents had kept close watch on the Communist Party.

Now the investigations began to uncover evidence of the Communist subversion which Hoover had warned against for years. The stories of Fuchs and Harry Gold and the Rosenbergs began to unfold, along with contemporary evidence that the Communist Party leaders were conspiring to overthrow the United States Government by force and violence. This was the period when the FBI literally went to war against the Communist Party. But the war against crime continued as well and led FBI agents down strange trails in the pursuit of criminals such as those involved in the kidnaping of little Peter Weinberger on Long Island and the acid attack which blinded labor columnist Victor Riesel.

Despite the strict discipline, long hours and hard work, relatively few agents leave the FBI for easier, higher-paying jobs. There is something in the FBI which holds them, an intangible spirit akin to the pride developed in the Marine Corps. In 1955, for example, the turnover among agents was less than one-half of one percent.

Who are these men called FBI agents?

They are a cross-section of American life. They are men trained in law, accounting, science and engineering. But adaptability and versatility are as important as academic training in investigative work, and the FBI looks for young men whose interests are wide and varied.

Some agents were once commercial artists. Some studied medicine and then decided they preferred the life of an agent. Some worked as musicians, pharmacists, bookdealers, social workers, salesmen, architects, newspapermen, teachers, auditors, brokers, cashiers, farmers and factory workers, among other pursuits. Among them, they speak or read thirty different languages and dialects and their hobbies vary from art to sports.

These men form the FBI. They are professionals highly trained for their work and guided by the principle that establishing innocence is just as important as establishing guilt in their investigations.

The early years of struggle were bitter ones. But there can be no understanding of the FBI without looking into the forces which helped in the past to shape its future.

I should also like to include the background of John Edgar Hoover in order that all Americans would take pride knowing the man directing this most important work.

JOHN EDGAR HOOVER—DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

John Edgar Hoover was born January 1, 1895, in the District of Columbia. He was educated in the public schools of the District of Columbia and received Bachelor of Laws and Master of Laws degrees from The George Washington University. He holds honorary degrees from the The George Washington University, Pennsylvania Military College, New York University, Kalamazoo College, Westminster College, Oklahoma Baptist University, Georgetown University, Drake University, University of the South, University of Notre Dame, St. John's University Law School, Rutgers University, University of Arkansas, Holy Cross College, Seton Hall College, Marquette University, Pace College, Morris Harvey College and The Catholic University of America.

Mr. Hoover entered the Department of Justice in 1917, and in 1919 he was appointed Special Assistant to the Attorney General. From 1921 until 1924 he served as Assistant Director, Bureau of Investigation, and in May, 1924, he was named Director. Mr. Hoover received a commission in the United States Army Reserves in 1922 and resigned his commission on April 24, 1942, in view of the importance of the intelligence work of the FBI, of which he was Director. At that time he held the rank of Lieutenant Colonel in Military Intelligence. He has been admitted to practice law before the bar of the District Court of the United States for the District of Columbia, the United States Court of Claims and the United States Supreme Court. Mr. Hoover is a Mason, both Royal Arch and Scottish Rite, 33°, and a Shriner. He is a member of Kappa Alpha Fraternity; Omicron Delta Kappa; Delta Theta Phi; Alpha Phi Omega; and Zeta Sigma Pi. He is a member of many national and statewide law enforcement associations; a trustee of The George Washington University; member, Board of Directors, Boys' Clubs of America; member, National Court of Honor, and honorary member, National Council, Boy Scouts of America; Active Member, Grand Council, Order of DeMolay. He is a member of the Columbia Country Club, Washington, D.C. He has authored three books, "Persons in Hiding," 1938; "Masters of Deceit," 1958; and "A Study of Communism," 1962.

On 3–8–46, Mr. Hoover was presented the Medal of Merit by the President of the United States. On 11–13–54, he was awarded the Cardinal Gibbons Medal by the National Alumni Association of The Catholic University of America for outstanding service to his country. On 5–27–55, President Eisenhower presented Mr. Hoover the National Security Medal for his outstanding service in the field of intelligence relating to National Security. On 1–27–58, President Eisenhower presented Mr. Hoover the President's Award for Distinguished Federal Civilian Service. On 4–28–58, he received the U.S. Chamber of Commerce "Great Living Americans" award. On 5–5–58, he received the Freedoms Foundation's "George Washington Honor Medal" for his speech, "The American Ideal." On 6–16–59, he was presented the "American Citizenship" award by the Junior Order United American Mechanics. On 8–4–61, the U.S. Senate passed a resolution commending Mr. Hoover upon his 37 years of "distinguished service to the United States" as Director of the FBI. On 12–7–61, Mr. Hoover received the Mutual of Omaha Criss Award for "his outstanding contribution to the personal security and safety of the American public." On 2–22–62, he received the Freedoms Foundation's "George Washington Honor Medal" for the second time. On 8–14–62, the Order Knights of Pythias conferred its first annual Distinguished Service Award upon Mr. Hoover. On 11–9–62, the Jewish War Veterans of the U.S.A. presented Mr. Hoover their highest award, the "Gold Medal of Merit," which was inscribed "In recognition of outstanding and meritorious service in the battle for civil rights and liberties. His integrity and devotion to justice will be remembered forever." On 11–16–63, Mr. Hoover received the "Pro Deo et Juventute Award" from the National Catholic Youth Organization in New York City. On 12–4–63, Mr. Hoover was the recipient of the "Brotherhood Award" from the Brotherhood of Washington Hebrew Congregation "for his unswerving devotion to the betterment of brotherhood among all races, creeds and colors." On 11–24–64, Mr. Hoover received the "Sword of Loyola Award" because "his life has been one of selfless devotion to country and God." On 12–12–64, Mr. Hoover received the "Gold Medal" of The Pennsylvania Society "for distinguished achievement." He was awarded the "Grand Cross of Honour" by the Supreme Council, Scottish Rite, 33°, on October 19, 1965.

Mr. SCHADEBERG. Mr. Speaker, many of the men here today who will salute J. Edgar Hoover for his completion of 50 years of service to our Nation are much closer friends of this great man than I. None, however, can possibly say that he is more of an admirer of Mr. Hoover than I.

There seems to be little reason for me to attempt through additional tribute to further embellish the magnificent record which J. Edgar Hoover has built during his career with the Federal Bureau of Investigation. The outstanding work this man has performed speaks for itself.

There does seem reason to speak of Mr. Hoover's weathering the passage of 50 years in one of the most sensitive and tumultuous positions in the Federal Establishment. I suppose that there have been many other dedicated public servants who have labored for the Government for half a century, but I would warrant that none who have been nearly as openly exposed to public scrutiny have emerged with such an unblemished record as has Mr. Hoover.

I know that there are those Americans who denounce the Federal Bureau of Investigation, and there are those who speak disparagingly of Director Hoover. Fortunately for these United States, such persons certainly constitute only a minute segment of our society. Believe me, even among those who fear J. Edgar Hoover the most, it would be next to impossible to find a man who did not have a healthy respect for the Director and the Bureau he has so ably built and administered. I can truthfully say that I have never met a man who did not respect J. Edgar Hoover, and thank God most of our Nation has a dedicated admiration for this great American.

Mr. BETTS. Mr. Speaker, a significant anniversary will be marked this week: J. Edgar Hoover's 50th year of service with the Department of Justice. There are many men who have given a lifetime of service to their countrymen but few have made a greater contribution than J. Edgar Hoover. His name is synonymous with integrity, crime fighting and as the principal combatant of internal subversion.

Since May 10, 1924, J. Edgar Hoover has been Director of the Federal Bureau of Investigation. He has served under 15 Attorneys General and seven Presidents. The FBI has changed vastly from fighting the crime syndicates of the 1920's and 1930's. Yet it has adapted to these changes and is known as world leader in new technology of crime detection and the apprehension of criminals. Its growth is characterized by able, well-trained career personnel, handpicked and promoted by Mr. Hoover. Never the taint of political or professional scandal has besmirched this pillar of law enforcement agencies.

We in the Congress can be proud of this statesman who, at age 72, conducts the vital business of the FBI each day with a firm and expert hand. I salute you, J. Edgar Hoover, and hope you will continue beyond this half century of service for we need you at the helm of the FBI.

MR. HOOVER'S MONUMENT

Mr. BROTZMAN. Mr. Speaker, it is a privilege for me to join in paying tribute today to a man who, for the past 50 years, has done so very much to preserve the greatness and integrity of this Nation.

Today, July 26, 1967, marks the 50th year of continuous service with the Department of Justice by J. Edgar Hoover. All but 7 years of this service has been devoted to the Federal Bureau of Investigation.

Mr. Speaker, I hope that Mr. Hoover will remain in the Nation's service for years to come. But whenever he decides to retire he will leave behind the finest monument that a man can possess—a great organization which he has built virtually from the ground up.

I can personally verify the fact that Mr. Hoover's monument is a great one. I once served the Nation as a U.S. attorney, and it was my pleasure to work closely with the FBI. It is a fine and effective organization made up of an unusually high-caliber corps of men and women.

But historians will not need to depend entirely on testimonials such as mine in order to document the scope of Mr. Hoover's contributions to the Nation. The facts and statistics which are a matter of public record are quite sufficient.

The feats of the FBI have become almost legendary, from the John Dillinger manhunt, the solution of the Lindbergh kidnaping case, and the roundup during World War II of Nazi saboteurs, to the infiltration of the Communist Party of the United States. Today, the FBI, under Mr. Hoover's guidance, is the central internal security and intelligence agency to protect this Nation from the threat of subversion and espionage from abroad.

In fiscal year 1966, FBI arrests resulted in 13,023 convictions. But other statistics—administrative statistics—are equally impressive. Mr. Hoover has established rigid criteria for his agents, and each agent is trained in all aspects of police and intelligence work. The program works. From 1957 to 1965, the Bureau reported none of its agents were killed while pursuing FBI official duties. And each year, Mr. Hoover reports to the Congress a sizable saving in the form of more than 1,500,000 hours of unpaid overtime work on the part of himself and his agents.

Mr. Hoover, your monument is the finest a man could hope for.

Mr. BYRNES of Wisconsin. Mr. Speaker, J. Edgar Hoover is a vintage American. He is known and respected throughout the land. His record of service in positions of grave importance and responsibility is without parallel. His devotion to this country is unsurpassed.

In many nations of the world the overseer of internal security is passionately hated by most of his people. That is not true in the United States. No man is more widely esteemed by people in all walks of life than J. Edgar Hoover. No man has done more to encourage respect for law and to make law worthy of respect than the able Director of the FBI.

This is a man of deep conviction, who does not grasp and snatch at each new theory that comes along masquerading as revealed truth. He does not hunt perpetually for fault in America. Instead, he has retained a steady faith in the bedrock principles which have made this country great.

He is a conservative. He is a progressive. He is a man of letters and of science, a professional, always in step with the best new thoughts and developments of his time. He is not afraid of change. He has always welcomed progress. But he has time and again raised his voice to warn this Nation to preserve its heritage.

Of course he has enemies. What man of stature and ability does not? The discordant clash of interests in a diversified society inevitably creates these rifts and differences. We do not agree with him on every occasion. But we do respect him, and the power and eloquence with which he states his views.

Mr. Speaker, no man is above criticism, and no public man can hope to escape it. Frequent condemnation is the price of eminence. But the test for men like Hoover is whether their records of accomplishment can withstand the searching, critical light of history. I have no doubt that his record will.

Today we honor J. Edgar Hoover. But how can we add to the luster of his reputation? What can we say that people do not already know? His name is bound up irrevocably with the law enforcement organization he has built to distinction, and his place is secure in the affection of our people.

Mr. CAHILL. Mr. Speaker, as a former special agent of the FBI, I am pleased to join my colleagues in paying tribute to J. Edgar Hoover, Director of the Federal Bureau of Investigation, on the occasion of the completion of 50 years' service with the Department of Justice. As an agent, I came to realize the tremendous role Mr. Hoover played in the development of the FBI and in the great progress in the field of crime detection in the United States. In my day in the Bureau we were concerned principally with bank robbers and kidnapings. Later the Bureau was given the full responsibility by President Roosevelt to coordinate all matters relating to espionage, sabotage, and violations of the neutrality regulations. During the administration of President Truman the FBI was assigned the task of checking the loyalty of all Federal employees. Today the FBI has jurisdiction over more than 100 major Federal laws.

During these 50 years of service, the Bureau has grown not only in numbers but in the respect and confidence of the American people. When Mr. Hoover was appointed Director by the then Attorney General Harlan Stone back in 1924, he was given complete authority to revitalize the Bureau. During these years Mr. Hoover has been responsible for the policy that has made the FBI the most respected police organization in the world.

It was his decision that required special agents to have law training, accounting experience, or extensive police experience. The central fingerprint bureau, the new crime laboratory, the National Police Academy are but a few of the great contributions resulting from the policymaking of Mr. Hoover.

In addition to his demanding work as the Director of the FBI, Mr. Hoover is a noted author, a confidante to Presidents, a lecturer of note, the holder of honors too numerous to mention including honorary academic degrees from some of the leading universities of our country. He is unquestionably one of the great men of America. While his accomplishments are many, I personally believe his personal example and his strong and effective leadership have been outstanding. No man ever served in the FBI without having been influenced by the strength and the courage and the dedication of the Director. He has lifted law enforce-

ment to the status of a profession. He has proved to the American people that the FBI is not only a competent but an honest and just police force.

Our country is indeed fortunate that he is willing at the conclusion of 50 years' service to continue the arduous and demanding role as the Director of the FBI.

To Mr. Hoover, I offer my congratulations on a lifetime of service and a sincere wish that he will enjoy good health so that he may continue for many years his dedicated work.

Mr. LAIRD. Mr. Speaker, it is a real pleasure for me today to join the gentleman from Illinois [Mr. COLLIER] and my other colleagues in saluting America's top law-enforcement officer as he celebrates his 50th anniversary with the Department of Justice.

There is little that we can add to the long list of honory degrees, citizenship awards, and other recognition which have come to John Edgar Hoover over his long and illustrious career. It is however, truly fitting that we pause and pay our respects to this distinguished civil servant who has done so much in the field of law enforcement.

Mr. Hoover's years of service to the Federal Bureau of Investigation and to the whole country represent the foundation on which modern law enforcement methods and techniques have been built.

Moreover, J. Edgar Hoover is an outstanding example of a universally respected and admired civil servant, who serves as an outstanding example not only to the fine men and women of the FBI but to all Government employees and indeed to all Americans.

Mr. MICHEL. Mr. Speaker, I would like to add my accolade of praise to J. Edgar Hoover upon his 50th year of public service in the Federal Bureau of Investigation. For a good many of those years, he has found himself under fire and attack from those who would deal softly with crime and subversion. Adverse news coverage, hostile reporters, and aggravated segments of the population have often tried to badger him but without success. In spite of pressure more than sufficient for the breaking of a lesser man, J. Edgar Hoover has never weakened, and because of his forbearance and unwavering adherence to the principles of justice throughout his last 50 years, he rightly deserves the title "Hero of Our Republic."

It is indeed appropriate, Mr. Speaker, that we pay tribute at this time to our Nation's finest law enforcement official. I cannot help but think that it is a comfort to everyone that Mr. Hoover has set an outstanding example of liberty under law. Today when our society seems to be in a constant state of flux, changing values, morals, and ideas, it is with pride that we point to Mr. Hoover as representing uncompromising, no-nonsense law enforcement. Having served under 15 Attorney Generals and seven Presidents, J. Edgar is not a publicity seeker. His modesty is as resolute as the way he tracks down criminals. Under his administration, Hoover has been responsible for the arrest of hundreds of organized crime and syndicate leaders. FBI investigating units have been sent into all fields of endeavor—from the Communist Party to civil rights to peace demonstrations.

It is indeed appropriate, Mr. Speaker, that we take time to honor and commend the Director of the FBI for a hard job well done. The land of the free is made a lot safer thanks to the personal insights and efforts of one of America's greatest public servants. I would be the first to admit that there is a lot of truth in the old adage that no one is indispensable. But to assume that Americans would enjoy the security provided by an FBI as sound and efficient as the one we have today without J. Edgar Hoover, is one assumption that I am not daring enough to make.

Mr. Speaker, while I hate to ever see the day come when we will have to give consideration to Mr. Hoover's successor, I certainly hope that we will enact legislation prior to that time that would require Senate confirmation of this all-important post, and insert the text of the bill I introduced again in this 90th Congress, H.R. 874, to be reprinted at this point in the RECORD:

H.R. 874

A bill to provide that the Director of the Federal Bureau of Investigation shall hereafter be appointed by the President, by and with the advice and consent of the Senate

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Director of the Federal Bureau of Investigation in the Department of Justice shall be appointed by the President, by and with the advice and consent of the Senate.

(b) The functions of the Federal Bureau of Investigation shall include the detection and prosecution of crimes against the United States, the acquisition, collection, classification, and preservation of identification and other records, the exchange of such records with and for the official use of the duly authorized officials of the Federal Government and of States, cities, and other institutions (such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies), and such other matters within the jurisdiction of the Department of Justice as the Attorney General may direct.

SEC. 2. Subsection (a) of the first section of this Act shall not apply to the individual who holds the office of Director of the Federal Bureau of Investigation on the date of the enactment of this Act.

Mr. ASHBROOK. Mr. Speaker, in these days of disturbances in our Nation and throughout the world it is enjoyable to take time to praise 50 years of service to the United States by one of the greatest Americans, J. Edgar Hoover, a living symbol of the old fashioned, hardline, bedrock leader who believes in his Nation and works to the best of his many abilities for its best interests.

I submit that no American is considered more loyal to his nation than our Director of the FBI.

Rather than praise the man, I believe I can accomplish this, and the added end of promoting his beliefs, by quoting from various speeches which Mr. Hoover has made during the past few years.

First and foremost in his statements one finds Mr. Hoover rooted deeply in the concept of a nation united under God. Thus:

It is what a nation has in its heart, rather than what it has in its hand, that makes it strong. The nation which honors God is protected and strengthened by Him.

We are a God-Loving people. This is our greatest strength. Let our national motto always be, In God we Trust.

On the responsibility of the individual to his nation, Mr. Hoover says:

The fight against crime and communism can be won, and it will be won, but only with the help of every decent American citizen. No individual in this great land of ours should underestimate the importance of his or her role.

On the threat of communism:

We are at war with this sinister conspiracy. Every Communist today must be considered an enemy, wherever he may be, at home or abroad.

A "soft" approach toward the menace of communism can lead only to national disaster.

We are at war with communism and the sooner every red-blooded American realizes this the safer we will be.

On civil disobedience:

The law of the land is above any individual. All must abide by it. If we short cut the law, we play a dangerous game which only can result in total defeat for all of us because if we destroy our system of government by law, we destroy our only means of achieving a stable society.

It is a great misfortune that the zealots of pressure groups always think with emotions, seldom with reason. They have no compunction in carping, lying and exaggerating with the fiercest passion. They cry liberty when they really mean license.

On crime and subversion, he says:

Crime and subversion are formidable problems in the United States today because, *and* only *because,* there is a dangerous flaw in our Nation's moral armor. Self-indulgence—the principle of pleasure before duty—is practiced across the length and breadth of the land, It is undermining those attributes of personal responsibility and self-discipline which are essential to our national survival. It is creating citizens who reach maturity with a warped sense of values and an undeveloped conscience.

Crime is a parasite, feeding upon public disinterest and moral lethargy.

On the problem of civil rights:

America has taken the lead in working them out, and it is taking the lead today. It is doing more for its underprivileged in minorities than any other nation in the world, but there is more to be done.

We thank God that where the spirit of the Lord is, there is liberty.

As citizens of a free country, we must judge people as individuals—not by race, creed or color.

And on America in the face of adversity:

Our nation was founded by overcoming adversity. From the time of the early patriots—The Pioneers, the Civil War, World War I, the Great Depression, World War II—always there has been a challenge for us to meet and conquer. Greatness won through the challenge of adversity can, however, be lost through inaction and lethargy.

Challenge, not compromise—Victory, not defeat—these are words which have real meaning for true Americans.

J. Edgar Hoover is living the life that he would ask others to live—that of the concerned American doing his job. He has built the FBI into the actual paragon

of law enforcement agencies. With this in mind I add one more of Mr. Hoover's comments:

Justice has nothing to do with expediency. It has nothing to do with temporary standards. We cannot, and will not, permit the FBI to be used to super-impose the aims of those who would sacrifice the very foundations on which our government rests! I take humble pride in emphatically stating . . . that as long as I am Director of the FBI, it will continue to maintain its high and impartial standards of investigation despite the hostile opinions of its detractors. Furthermore, the FBI will continue to be objective in its investigations and will stay within the bounds of its authorized jurisdiction regardless of pressure groups which seek to use the FBI to attain their own selfish aims to the detriment of our people as a whole.

It is this type of dedication which is needed in our Government, and to this end I have today introduced a resolution calling for Senate approval of a Presidential appointment to succeed Mr. Hoover at such time when he chooses to end his distinguished service as Director of the Bureau.

During a speech in 1962 upon receiving the George Washington Award of the Freedoms Foundation at Valley Forge, Mr. Hoover quoted an 1850 speech by Daniel Webster. I believe Webster's words aptly characterize the man we praise today:

I was born an American; I will live an American; I shall die an American; and I intend to perform the duties incumbent upon me in that character to the end of my career.

Mr. DERWINSKI. Mr. Speaker, I am pleased to join my distinguished colleague from Illinois, HAROLD COLLIER, in commending J. Edgar Hoover for the 50 years of dedicated and effective service he has given to the Department of Justice.

It is a properly accepted fact that through Mr. Hoover's dedication and genius the FBI has become the most respected and effective agency of its kind in the world and that the Director deserves not only the laudatory comments being made this afternoon in the House but also the respect and appreciation of all America.

Mr. BROYHILL of North Carolina. Mr. Speaker, today marks the 50th anniversary of a remarkable career, the career of J. Edgar Hoover. It is fitting that we should pay tribute here to this man who ranks as one of the most dedicated officials in our Government today.

Mr. Hoover's contribution to his nation spans the entire life of the Federal Bureau of Investigation as we know it today, for Mr. Hoover's career in the Department of Justice began exactly 50 years ago on July 26, 1917. It was not until 1935 that the Bureau of Investigation became known as the Federal Bureau of Investigation.

As the years have gone by, we have seen the Bureau increase in manpower and advance in technology. The latest equipment and scientific procedures are used in the work against crime. This expansion of the Bureau into one of the finest law enforcement agencies in the world is largely due to the effective leadership provided by Mr. Hoover. It is to his credit that Mr. Hoover has remained in close touch with all his agents, refusing to simply sit back and let the rest of the organization move on its own momentum. The effectiveness of the FBI is due in such a major way to this leadership by one of the genuinely great Americans of the 20th century. The high respect and affection Americans feel for J. Edgar Hoover transcends narrow partisanship and is shared by people of every age and walk of life.

All Americans owe a deep debt to Mr. Hoover for his relentless efforts to make our country safe from criminals and those who would destroy our way of life. Neither expense nor time is spared in tracking down and apprehending the thousands of criminals who endanger our society. The amazing success of the FBI is well known to all of us.

As an outstanding example of devotion to his country, Mr. Hoover has remained as Director beyond the retirement age. His personal sacrifices in declining retirement have further enriched the Nation with continuing service.

May this fine American continue to provide leadership to the FBI and may he enjoy personal happiness and good health through many years to come, secure in the knowledge that his Nation appreciates him and is deeply grateful for his tireless work.

Mr. QUIE. Mr. Speaker, it is a distinct honor to pay tribute to Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, as he completes 50 years of service with the Department of Justice.

Mr. Speaker, few public servants have served the people so well and over so long a period. The FBI is generally acknowledged to be the finest police and investigative force in the world. It has greatly advanced the concept of law enforcement by introducing scientific methods and professional discipline. Under the direction of Mr. Hoover, these advances in the solution of crime have been shared with State and local law-enforcement agencies. This partnership has been an invaluable aid to strengthening law enforcement agencies throughout the United States.

The FBI has over 6,000 special agents in nearly 60 field offices, all of whom are qualified lawyers or accountants. Under the enlightened leadership of Mr. Hoover, an exceptionally dedicated force has been created. One measure of its high morale is the low turnover. Less than 5 percent a year leave the FBI. Mr. Hoover has built up a tough, disciplined corps of fearless, resolute agents who work as long hours as any group in public service.

Mr. Speaker, John Edgar Hoover has spent all his adult life working for the Government. After attending a Washington, D.C., high school, he secured his first job at 18 as a messenger in the Library of Congress. Even though working full time, he attended George Washington University and earned both a bachelor's and master's degree.

It was in 1917 that Mr. Hoover went to work for the Department of Justice. After World War I he was appointed a special assistant to Attorney General A. Mitchell Palmer and took part in deportation proceedings against the troublemakers of that era. This early experience alerted him to the rising threat of Communist subversion from within, which is a continuing danger against which we must ever be alert.

In the Harding administration Mr. Hoover was appointed an Assistant Director of the Bureau of Investigation. In 1924, after the organization was rocked by the Teapot Dome scandals, Mr. Hoover was asked to take over and rebuild the Bureau. He agreed if two conditions were fulfilled—that he have a free hand and that there be an end to politics in the organization. The Attorney General, Harlan Fiske Stone, agreed and the FBI as we know it today began to function.

Through the succeeding years Mr. Hoover has built an agency unlike any other in the world. The FBI has become a model for every agency which seeks to control crime, both in the United States and abroad. It has never been tainted by scandal or political patronage.

The FBI today is a monument to the integrity of the man.

Mr. Speaker, I therefore take the greatest pleasure in adding my tribute to those of my many colleagues in the House who honor one of America's most distinguished citizens, the Director of the Federal Bureau of Investigation, John Edgar Hoover.

Mr. RAILSBACK. Mr. Speaker, it is a distinct honor for me today to join my colleagues in the House of Representatives in paying tribute to a distinguished American who marks his 50th anniversary with the Justice Department this week. President Johnson has said of J. Edgar Hoover:

He is a hero to millions of decent citizens and anathema to evil men. No other American now or in our past has ever served the cause of justice more faithfully or so well. No other American has fought so long or so hard for a safer and better national life.

These words so very appropriately reflect the deep respect and admiration so many of us feel for the man who took over the Federal Bureau of Investigation in 1924 and rebuilt it from top to bottom. It has become, as a result, the most expert and enlightened police investigative force in this country. In fact, the FBI is generally acknowledged to be the finest investigative force in the world. It has greatly advanced the concept of law enforcement by introducing scientific methods and professional disciplines that have filtered down to precinct station houses in hundreds of cities across the country.

And J. Edgar Hoover is chiefly responsible for this expertise. His record of dedication and longevity in his job is unsurpassed. According to a recent newspaper account, there is no Government official of equal rank outside of Congress who has continued in his job as long. The FBI Director has served under 15 Attorneys General and eight Presidents.

Under the capable leadership of Mr. Hoover, the FBI has rendered valuable service to law enforcement agencies throughout the Nation for nearly half a century. Under his guidance, the Bureau has remained free from disrupting influences and from political, territorial, and economic pressures in its dedication to the cause of law enforcement.

This dedication is simply a reflection

of its Director. Certainly he deserves our praise for the continued excellence of his devoted service to the Nation. Surely it can be said that J. Edgar Hoover has earned the trust, confidence, and appreciation of all Americans.

Mr. DENNEY. Mr. Speaker, I rise today in admiration of and congratulation to Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation. We honor him today as he completes 50 years of service with the Department of Justice.

The mark of a man's contribution to the character and culture of our society cannot be measured in terms of academic degrees, both earned and honorary, of which Mr. Hoover has many. Rather the mark of a man's influence of the very fabric of our United States must be measured by the continued adherence to his principles by the citizens of our Nation.

Director Hoover has long been in the forefront of the movement to assure our Nation against external and particularly internal Communist threat. The foundation that has molded to combat Communist aggression can only be maintained and strengthened—if we use the perserverance and wisdom that Mr. Hoover has used to such strong advantage in the past.

Mr. Hoover has likewise helped to develop in our Nation a respect for the law of our land—based on the fairness and sureness of his direction of the FBI. Such riots as are now occurring completely overshadow and subvert a true analysis of our vast majority of citizens who are law abiding.

Mr. Speaker, a former FBI agent, I can personally speak of the courage, wisdom, and devotion that J. Edgar Hoover has given to our Nation. It is for us to continue the groundwork laid by him in his 50 years of dedication and unestimable service. May we renew our dedication to fulfill his goal of a safe America.

Mr. HUNT. Mr. Speaker, I wish to associate myself with the remarks of my colleagues honoring the distinguished Director of the Federal Bureau of Investigation, J. Edgar Hoover.

It has been my distinct privilege to know this man and to be accorded the privilege of training under his supervision at the FBI National Police Academy, which I attended in 1947.

Through the years, he has proven himself to be the No. 1 law-enforcement officer in the United States, if not the entire world. His courage in the face of seemingly insurmountable odds has earned him the respect of every law-enforcement officer in this country as well as the love and devotion of every law-abiding citizen.

During his 50-year career in the Department of Justice, he has served under eight Presidents and has earned accolades from all of these men. Others have come and gone while the venerable Mr. Hoover goes serenely on, appearing to be immune to the ordinary vicissitudes of high office. He has maintained the almost impossible position of keeping the FBI free of partisan politics and corruption.

Mr. Hoover was appointed Director of the Federal Bureau of Investigation when it was established in 1908 and has made it into an impressive monument to efficiency and integrity. Ability is the key factor to his seemingly inviolate position. He has put together the most expert and enlightened police investigative force in this country and has earned the respect and admiration of all who have had the privilege and honor of being associated with him. He deserves the praise and admiration of a very grateful nation.

Mr. CONTE. Mr. Speaker, I rise today to mark the 50th anniversary of J. Edgar Hoover's unparalleled career as a servant of the law. On this day in 1917, Mr. Hoover left a tedious job cataloging books in the Library of Congress to take the position of clerk in the Department of Justice. He had just been admitted to the bar, after 4 years of night study at the George Washington University. Within 2 years, he had become special assistant to Attorney General A. Mitchell Palmer and, within seven, had been named Director of the Department's corrupt and incompetent Bureau of Investigation. Those who need visible proof of Director Hoover's great service to his country need only look to the present reputation of the FBI; the Bureau of today, and of the last 43 years, stands in the image of its Director as a model of integrity, loyalty, and responsible exercise of a delicate role in our Government.

But there is no need for me to recount Mr. Hoover's brilliant career, which my colleagues have already so ably rehearsed today; the facts are so well known that they have entered into public legend. I would like to point out that this great record of accomplishment continues a family tradition of public service, extending well over a hundred years. The Hoover family has lived in Washington for five generations, almost from the date of the founding of the District. The members of its last three generations have been public servants. J. Edgar Hoover's father and grandfather served in the U.S. Coast and Geodetic Survey and his brother was inspector-general of the U.S. Steamboat Inspection Service.

John Edgar himself was born in a house in Seward Square, just five blocks to the southeast of the Capitol and took his first job in the office of Senator Jones of Nevada. I can think of no man more worthy to be the symbol of the public servant, both from family tradition and from personal accomplishments. His own career demonstrates the virtues that we hope to find in the entire Federal administration—efficiency, integrity, isolation from politics, and complete devotion to duty. We all know that the FBI operates very closely to a delicate area of our constitutional law—State and local control of police enforcement—and we should remember that Mr. Hoover, through the early years of his directorship, faced congressional suspicion that his Bureau would become a national police force.

Certainly his position carried with it the dangers that lie potentially in any position of power—dangers of misuse, of overextension, of disregard for the public good. Mr. Hoover averted this danger by his restraint, by his respect for the legal and constitutional limitations of his position, and above all by his manifest devotion to his duty. I cannot remember one occasion on which an agent of the FBI abused the authority in his trust. This devotion makes up no small proportion of the great prestige of J. Edgar Hoover. The example of this man's prestige should stand as a monument for emulation by all the men in the service of our Government.

Mr. SMITH of California. Mr. Speaker, the distinguished Director of the Federal Bureau of Investigation, Mr. J. Edgar Hoover, recently completed 50 years of service in that capacity.

It is doubtful that any servant of the people and the Federal Government has ever performed his duties so long, so illustriously, so effectively, and with such dedication. In a sense, Mr. Hoover is the FBI, for it is largely as his creation that it has grown over a half century to become the finest agency for law enforcement, crime detection, and as a deterrent to criminal activity in the world.

Under the direction of Mr. Hoover, the FBI, over the years, has constantly engaged itself in the development of new scientific and laboratory techniques for use in its never-ending fight to curb lawlessness, to apprehend the criminal, and to bring him to the bar of justice.

The FBI shares all its knowledge and methods with State, county, and local law-enforcement agencies, under a program initiated by Mr. Hoover, which has proved of inestimable value in improving the caliber of police work throughout the country.

From my own experience, as a former agent of the FBI, I am able to pay further tribute to Mr. Hoover as a far-sighted trainer of thousands of young men who have "graduated" from their work under his direction to useful and rewarding activities elsewhere, in both the public and private spheres. Among former FBI agents, there are almost as many thousands of men who have become outstanding attorneys and jurists, business and industrial executives, public servants in high echelons, and, of course, a considerable number of present and former Members of the Congress.

Mr. Speaker, the Congress, the Government, and the Nation as a whole have a great deal for which to be grateful to J. Edgar Hoover. It is a real privilege for me to have this opportunity to pay my personal tribute to him before this body on this special occasion.

Mr. GROSS. Mr. Speaker, I thank the gentleman from Illinois for this opportunity to say a few words in tribute to the long and distinguished career of Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation.

Through the years and the crosswinds of politics, Mr. Hoover has held the FBI on a steady course of untarnished service to this Nation.

This requires a Director of rare courage, of firm conviction, and the ultimate in dedication. This is Mr. J. Edgar Hoover, to whom I am pleased today to pay this small tribute.

Mr. EDMONDSON. Mr. Speaker, there are few people who have contributed more significantly to the safety and security of the United States than J. Edgar Hoover. Having served under him

as an agent of the Federal Bureau of Investigation, I can testify personally to his capable leadership. His unsurpassed administration under seven American Presidents is an inspiration to those serving under him. His own unselfish service provides a great example to his coworkers.

Mr. Hoover's reorganization of the FBI upon his appointment as Director led to its development as an unparalleled law enforcement agency. The establishment of the central fingerprint bureau as well as the use of scientific detection methods has increased the efficiency not only of Federal law enforcement, but also that of State and local areas. The FBI has been almost unbelievably successful in dealing with criminals, Communist and Nazi subversion, and espionage, and yet has managed to stay outside of the political arena.

During World War II no major instance of foreign-directed sabotage succeeded, due, in the main, to the vigilance of the FBI. Since then a paramount FBI concern has been to watch the progress of Communist infiltration of the United States, to prevent its growth and to destroy its effectiveness.

The Nation owes J. Edgar Hoover a great debt of gratitude for his continuing and successful efforts against crime and subversion. The FBI has grown in stature and competence under his leadership and yet has remained within its rigid guidelines of noninvolvement in political affairs, not interfering in the freedoms guaranteed to citizens by the Constitution and the Bill of Rights.

An Executive order was issued by President Johnson in 1964 exempting Mr. Hoover from compulsory retirement for age. This was a tribute to his tremendous achievement. It was the American Government's recognition of our continuing need for his abilities. I want to congratulate J. Edgar Hoover on his 50 years of service to law enforcement. His contributions to our welfare and stability exemplify the finest kind of service a man can offer his country.

FOURTEENTH ANNIVERSARY OF CASTRO'S JULY 26 MOVEMENT REMINDS US THAT COMMUNIST CUBA CONTINUES HER CAMPAIGN TO SUBVERT THE AMERICAS THROUGH INTENSIFIED REVOLUTIONARY ACTIVITIES BY STOKELY CARMICHAEL AND OTHERS

The SPEAKER pro tempero. Under special order of the House, the gentleman from Illinois [Mr. PUCINSKI] is recognized for 60 minutes.

Mr. PUCINSKI. Mr. Speaker, today is the 14th anniversary of Fidel Castro's July 26 movement and should serve as a reminder that continued Communist control of Cuba constitutes one of the most serious dangers to the United States.

Not only does Communist control of Cuba constitute a danger to South America but the presence of Stokely Carmichael in Cuba today for a top meeting of Communists demonstrates that Castro and his Communist followers are now boldly planning to export their revolutionary tactics into the heartland of America and the ghettos of our large cities.

Mr. Speaker, we Americans should view developments in Cuba today with deep concern. We are witnessing the drafting of an offensive on our shores by the Communists which could have profound and disastrous effects on the very survival of our democratic system. Stokely Carmichael's arrogant boast in Havana yesterday that he will organize back power guerrilla groups in American cities cannot go unchallenged. I urge our State Department to withdraw Carmichael's passport and if he returns to the United States, we try him for treason. Here is a man who is in Cuba illegally. We have restrictions against travel to Cuba unless special permission is granted. He is openly consorting with Castro and the top Communist leaders of this hemisphere, and openly advocating guerrilla warfare for the overthrow of the United States.

Stokely Carmichael proves to us that only 90 miles south of Florida, there is a Communist regime which has been and is instigating violence and which proclaims it always will do its utmost to undermine our security. It is a regime which has vowed to employ any means at its disposal to disrupt peaceful life in neighboring and distant Latin American countries in order, as it shamelessly declares, to provoke bloody upheavals throughout the hemisphere.

Because Cuba is a country that has only 8 million inhabitants and because her economy has been ruined by Communist rule, we have tended, recently, to pay less attention to the Marxist regime of Fidel Castro, and to minimize it as a force that is able to threaten the peace on a continental scale.

Yet the Cuban dictator has been engaged in this effort for 8 years. Time and again he has defiantly proclaimed his determination to encourage violent revolutions everywhere, and has boasted of having meddled in the internal affairs of a number of Latin American countries.

I would like to draw this Chamber's attention to two Cuban statements which show that over the years the Communist regime of Fidel Castro has consistently followed its policy of promoting violence in disregard of international treaties and principles consecrated in the Charter of the United Nations and of the Organization of American States. In his speech on July 26, 1960, Fidel Castro declared that he intended to "convert the Andes mountain range into the Sierra Maestra of all the Americas," his first official call for a revolution in all of Latin America.

Seven years later, the Cuban policy, far from turning more benign, has become more extremist, more brutal, and more defiant. In May of this year, the capture in Venezuela of Cuban army officers infiltrating the country was announced by the Venezuelan authorities, following which the Caracas government charged that Cuba is actively interfering in the internal affairs of that country.

On May 15, a lengthy statement issued in Havana by the central committee of the ruling Communist Party of Cuba, not only admitted that Cuban officials have helped to infiltrate guerrillas into Venezuela, but also defiantly proclaimed that a policy designed to "stimulate and increase to the maximum, the coordinated assistance to revolutionaries, wherever they might be . . . is morally right and of vital necessity."

The May 15 statement said that Cuba was not only "disinterested in evading responsibility" for intervening in internal affairs of Venezuela, but that she "does not need to ask permission or forgiveness" for her actions. Then, Communist Cuba brazenly challenged the Western Hemisphere, indeed the whole civilized world, by saying:

> We are being accused of wanting to subvert the established order in this Continent and we, in effect, do proclaim the historic necessity that the peoples subvert the order established by imperialism in Latin America and the rest of the world. We are being accused of preaching the revolutionary overthrow of the established Latin American governments and we, in effect, do believe that all oligarchies and "gorilla" governments should be swept away by revolutionary struggle. We are being accused of supporting revolutionary movements and we, in effect, are giving, and shall give help every time it is asked for, to every revolutionary movement that is fighting against imperialism in every part of the world.

Do we, Mr. Speaker, need more proof of the danger Cuba represents to peace than this incredible official statement issued in Havana?

But allow me, Mr. Speaker, to recapitulate recent developments in Cuba and actions taken by the Castro regime to promote and subsidize bloodshed in Latin America.

In November 1964 a secret meeting of Latin American Communist parties took place in Havana with the participation of a top-level Soviet delegation headed by Yuri V. Andropov, a member of the Soviet Politburo, who significantly was appointed chief of Russia's security apparatus about a month ago. At the instigation of the Castro regime, a policy of stimulating guerrilla struggle in the Americas was adopted at the conference, despite halfhearted objections of some Latin American Communist parties.

Another step in carrying out Cuba's aggressive policy which was additionally designed to convert Havana into a center of Latin American communism with Castro as its sole leader, was the Tri-Continental Conference of the Asian, African, and Latin American Peoples Solidarity Organization held in January 1966 in Havana. Following that pro-Communist reunion, the Latin American Solidarity Organization—LASO—was created with headquarters in Havana. LASO's proclaimed objective was, and still is, "to unite, coordinate, and impel the struggle against North American imperialism." LASO has delegations not only in the 20 Latin American countries, but is also active in Guadeloupe, British Guiana, Jamaica, Martinique, Puerto Rico, and Trinidad and Tobago. LASO also claims an office in the United States.

Since the creation of LASO, the Castro regime's subversive activities have speeded up dramatically. In November 1966, LASO's school for guerrilla leaders, saboteurs, and political activists for the so-called national "liberation" movements in Latin America was created in Havana.

At the same time Cuba increased her propaganda broadcasts to Latin America. In what was described as the beginning of an expansion of Cuba's broadcasting facilities, late last year a 150,000-watt standard wave transmitter was put into operation in eastern Cuba, covering a radius of about 2,000 miles. In 1967, Cuban radio's total power reached 513,000 watts. As of April 1, the Castro regime broadcasts 577 hours 30 minutes weekly to Latin America, Africa, Mediterranean area, Europe, United States, and Canada. The Havana radio has programs in English, French, Portuguese, Spanish, Arabic, Creole—to Haiti, Guaraní, and Quetchua. These incendiary and bellicose broadcasts, directed to students, workers, and farmers, exhort Americans everywhere, not only to stage protests and street demonstrations, but also, as Havana says, "to make revolutions," that is, to form guerrilla groups in the mountains and saboteur groups in the cities.

An article in the New York Times, July 15, titled "Pro-Red Latin Unit in Havana Seeking Cooperation in United States," reads as follows:

MIAMI, July 15.—The Latin American Solidarity Organization, a Havana-based pro-Communist group that is promoting guerrilla and insurrectional activities, has recently begun seeking cooperation in the United States for advancing its goals.

The organization, founded on January 16, 1966, to "unite, coordinate and impel the struggle against North American imperialism", has members in 28 countries. Besides delegations in 20 other Latin-American nations, it claims members in Guadaloupe, Guyana, French Guiana, Jamaica, Martinique, Puerto Rico, Trinidad and Tobago, and Surinam.

The Havana radio's daily English-language broadcasts for the last fortnight have been stressing cooperation with North American "anti-imperialists" groups and saying that the organization had "much in common with U.S. workers and students."

One broadcast reported that the solidarity organization had already pledged its support to the "Negro liberation movement in the United States." The Havana radio added that at the first conference of the organization, scheduled to begin in Havana on July 28, there would be a "demand for an exchange of views between the anti-imperialist forces of South America and North America."

It further said that "noted U.S. progressive figures" had expressed support for the conference. Among them is listed Paul M. Sweezy and Leo Huberman, editors of the magazine Monthly Review; John Gerassi, of New York University; and William W. Worthy, a newsman.

Another recent broadcast said that the main item on the agenda for the organization's meeting would be to "devise what is called a 'global strategy' for combatting U.S. imperialism." It continued:

There is the same awareness of the need for this kind of global strategy in the United States, particularly among the Negro people, as seen from the fact that they make the fight against the war in Vietnam an integral part of their own struggle against racism.

In addition, propaganda activities from Cuba include Cuban publications and magazines, distributed on a large scale, by the U.N. delegation in New York. Financial and military assistance to guerrilla forces operating throughout Latin America has been greatly increased, according to Fidel Castro in a speech delivered in Havana on March 13 of this year.

At the same time, insurgent operations have taken place for the first time in Bolivia, a country that appears to have been chosen by Castro and his missing comrade-in-arms, Ernesto Che Guevara, as the next victim of their nefarious actions. Late in March, the Bolivian Government revealed that a guerrilla force was active in the southeastern part of the country. With proofs at its disposal, the Government of Bolivia accused the Cuban Communist regime of being the instigator of the insurgency. Guerrilla activities in Bolivia were added to other armed rebellions financed and promoted by Havana in Guatemala, Colombia, and Venezuela.

From all over Latin America come reports that active or potential leaders have been or are being trained in Cuba from where they receive money, arms, and political direction. A sample of what the Castro regime's activities are, was the assassination of Dr. Julio Irribarren Borges, the brother of the Venezuelan Foreign Minister, whose bullet-ridden body covered with Castroite propaganda was found on a street in Caracas. Havana promptly claimed the credit for the assassination.

On March 17, a "message" from the missing Argentine-born professional Communist agitator Ernesto Guevara was published in Havana. It urged that guerrilla activities in Latin America be increased and called for "more Vietnams to bleed the North American imperialism." This thesis of creating more Vietnams in order to bleed us as much as possible has been repeated by Cuban official propaganda since.

On April 19, in a public speech, Fidel Castro again advocated his violent policy for Latin America. "The only solution to the present situation in Latin America is revolution," the Communist dictator stated. In the same speech Castro referred twice to Guevara as a Cuban army major, thus indicating that the missing Communist leader participates in the execution of his subversive foreign policy and, consequently, that Cuba is responsible for whatever Guevara does.

Scarcely a week later, Bolivian antiguerrilla forces captured Jules Regis Debray, a French Communist and a close associate of Fidel Castro, who had been with the guerrillas. In an interrogation, Debray declared that in March he had seen Ernesto Guevara in Bolivia directing the operations of the guerrilla force.

To give a major impetus to armed rebellion and subversive activities in Latin America, the Castro regime has convoked the so-called first conference of the Latin American Solidarity Organizations —LASO— which will be held in Havana between July 31 and August 10. The principal topics on the agenda of the conference describe perfectly the meeting's subversive aims. They are: first, the anti-imperialist struggle in Latin America; second, several methods of revolutionary struggle; armed insurrection in the process of national liberation struggle of Latin America; third, common policy and action against imperialist politico-military, economic, and ideological penetration in Latin America; fourth, the solidarity of the Latin American peoples with the national liberation struggles elsewhere in the world; fifth, support for the Negro people in the United States in their struggle against racial segregation." In connection with the last point of the Havana conference's agenda, it is worthy to note, that in the June issue of the Cuban magazine Pensamianto Critico, devoted to international problems, there is an article entitled "Black Power" by Stokely Carmichael.

While the subversive LASO conference will take place in Havana, the Organization of American States will debate charges against the Castro regime which has been accused by the Government of Venezuela of having carried out an open intervention in that country's internal affairs. I believe, Mr. Speaker, that this Chamber should express its fullest support not only for the Venezuelan charges, but also for the meeting of American Foreign Ministers which will take place on August 15.

It is not enough to continue condemning Cuba for subversive acts. She has made her intention and role in this hemisphere exceedingly clear.

We must meet this challenge now, by taking effective and immediate steps to cut off the flow of weapons, money, and personnel from Cuba, or accept unending guerrilla activities in the entire hemisphere, including the United States, which can lead only to the total destruction to peace and security of this and all other American nations.

We must, Mr. Speaker, take more concerted action against Cuba than we have heretofore, and I urge the appropriate committees of Congress to address themselves toward finding effective solutions to this problem which plagues our security in ever increasing degrees as the Communists grow bolder in Cuba.

Mr. Speaker, I include an article which appeared in the Washington Post this morning at this point in the RECORD:

CARMICHAEL TURNS UP IN HAVANA, CALLS FOR U.S. GUERRILLA WARFARE

(By Michael Arkus)

HAVANA, July 25.—"Black Power" advocate Stokely Carmichael arrived in Cuba today with a clarion call for the organization of Negro guerrilla groups in United States cities.

It was believed that Carmichael did not have U.S. Government permission for his visit.

He arrived by air from Prague as an observer to the Latin American Solidarity Organization's conference of revolutionary forces in Havana.

It was expected that he would see Premier Fidel Castro during his stay.

Carmichael was welcomed at Havana Airport by Capt. Osmany Cienfuegos, president of the Cuban Communist Party's Tri-Continental Revolutionary Organization.

[Foreign newsmen were not allowed to interview Carmichael on his arrival and he was whisked away in a limousine, United Press International reported.]

[Diplomatic sources said they thought Carmichael was taken to Santiago, on the eastern end of the island, as an official guest at July 26 Holiday ceremonies there. Castro's former revolutionary movement, the "26th of July," took its name from the 1953 date when he led a band of rebel youths in an attack on an army barracks in Santiago.]

Shortly before Carmichael's arrival, the Cuban news agency, Prensa Latina, pub-

lished an interview with him in London in which he was quoted as saying:

"In Newark, we are applying the tactics of guerrilla warfare. We are preparing groups of urban guerrillas for our defense in the cities. This struggle is not going to be a mere street meeting. It is going to be a struggle to the death."

He likened the racial disturbances in the U.S. to "real rebellions" and said the Cuban revolution was an inspiration to U.S. Negroes.

The agency quoted Carmichael as saying former Cuban revolutionary leader Che Guevara, now said to be leading guerrilla warfare somewhere in Latin America, was closer to American Negro youth than anyone else.

After Carmichael left London yesterday, police there disclosed that they were preparing a report on his ten-day visit to Britain, to be submitted to the minister responsible for internal law and order—Home Secretary Roy Jenkins.

AMMUNITION IN THE FIGHT ON MISUSE OF DRUGS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. KUPFERMAN] is recognized for 30 minutes.

Mr. KUPFERMAN. Mr. Speaker, today I am introducing legislation which is intended to increase the Government's arsenal of weapons needed to sustain a successful attack on our Nation's serious and ever-present problem of drug abuse and addiction.

When President Johnson signed the drug abuse control amendments to the Federal Drug and Cosmetic Act in 1965, he made the following remarks:

The Drug Abuse Control Act of 1965 is designed to prevent both the misuse and the illicit traffic of potentially dangerous drugs, especially the sedatives and stimulants, which are so important in the medicines which we use today. Unlike narcotics, some of these drugs are very easily and very cheaply manufactured. Production has been rapidly increasing. Some of that production has been counterfeit. But more important, the Food and Drug Administration estimates that at least one-half the annual production of certain useful drugs is being diverted to criminal traffic. Enough goof balls and pep pills, for instance, are being manufactured this year to provide two dozen pills to every man, woman and child in the United States. We know all too well that racketeers in this field are making victims of many of our finest young people.[1]

At the congressional hearings in 1965, when the first drug abuse control amendments were under consideration, testimony showed that 9 billion barbiturate and amphetamine tablets are produced annually in the United States. It was estimated at the hearings that over 50 percent, or 4½ billion, of these tablets are distributed through illicit channels. This illegal traffic in barbiturate and amphetamine drugs has proven very profitable for black market operations. Barbiturates and amphetamines having a retail value of approximately only $670 sell in illicit channels for amounts in excess of $250,000.[2]

Barbiturates are central nervous system depressants which have a wide variety of medical uses when a hypnotic or depressant effect is desired. When taken without the proper medical direction these drugs act as intoxicants. The person affected later becomes drowsy and confused, unable to think clearly. He cannot coordinate his muscular action when he walks or stands, and sometimes reaches the point of collapse. He experiences tremors of his hands, lips, and tongue, cannot concentrate, and may become inarticulate.

It is similar to an alcohol reaction,[3] in that the individual who consumes barbiturates to the point of intoxication is a menace to himself and to others. Amphetamines and their derivatives are central nervous system stimulants. When used in excessive quantities they cause, among other things, nervousness, insomnia, tremors, irritability, hypertension, loss of weight, and in some cases psychosis and hallucinations.

The Bureau of Drug Abuse Control has informed me that most of these drugs, after being diverted from the legal channels of commerce, enter the black market by the following methods:

First. Theft by employees of manufacturers of wholesalers.

Second. Hijacking of trucks with drug cargoes and loading dock thefts from common carriers.

Third. Illicit buyers operating under false pretenses to induce legitimate manufacturers and wholesalers to sell to them.

Fourth. Burglaries and larcenies of any of the above establishments, as well as from retail pharmacies and hospitals.

Fifth. The counterfeiting of drugs of reputable, licensed drug firms.

The purpose of the Drug Abuse Control Amendments of 1965 was to put these drugs—and others which the Secretary of the Department of Health, Education, and Welfare felt were susceptible to abuse—under an umbrella of Federal regulation.

My bill has a twofold purpose: first, it will amend the Drug Abuse Control Amendments of 1965 by making it a felony instead of a misdemeanor for illegally manufacturing or selling these drugs; and, second, it will provide that every person engaged in manufacturing, compounding, processing, selling, delivering, or otherwise disposing of any depressant drugs shall, at the direction of the Bureau of Drug Abuse Control, keep segregated records of transactions dealing with such drugs.

Mr. Speaker, the misuse of barbiturates, tranquilizers, and amphetamines which are diverted from legal channels of commerce present different problems according to the segment of the population affected and the variety of consequences attendant on such misuse; juveniles may injure their health, engage in antisocial or immoral acts, or may become poisoned or addicted; both juveniles and adults may have auto accidents as a result of taking sedatives, tranquilizers, or stimulants; adults may become poisoned or suffer near death from overdose of these drugs, particularly barbiturates.

A study prepared by the health department of New York City revealed that in the period between 1957–63 there were 3,469 cases of barbiturate poisoning in New York City. Of this total, 1,165 cases were fatal and listed as suicides or deaths due to undertermined causes. The rest, nonfatal, included 4,179 attempted suicides, 744 accidental poisonings, and 2,351 poisonings due to undetermined circumstances.[4]

The grave situation of crime rings counterfeiting drugs increases the dangers resulting from their abuse. During 1964, the New York State Board of Pharmacy found 131 different samples of spurious drugs. A New York Times report in 1964 on fake Dexidrine quoted a drug company executive as saying:

The industry is bedeviled constantly by counterfeit drugs whose annual sales amount to between 50 and 100 million dollars.[5]

The FDA's Director of the Bureau of Drug Abuse, John Finlator, estimates that the dollar value of counterfeit drugs sold annually far exceeds $25 million.

These drug counterfeiting operations by their very nature are "hit and run types." Those engaged in these operations are not interested in the full-time legitimate manufacture of drugs. A large batch or two of expensive drugs are made, distributed through illicit channels, and as soon as the producers get the cash proceeds they "fold up." Invariably they are not licensed or registered by any Federal, State, or local government agency. Consequently, their plants or clandestine laboratories are not inspected. Hygienic conditions are rarely established and quality control is largely nonexistent. The quantity of counterfeit drugs presently on the market is impossible to ascertain. But no matter how small the amount, the possibility of consumers buying antibiotics only 75 percent potent to combat an infant's fulmating infection should provide us with the stimulus for making the necessary changes in the law to insure that no person will ever be put in such peril. One tablet may mean the difference between life and death. Yet, under our present law, the person violating parts of section 301 of the Federal Drug and Cosmetic Act is guilty of a mere misdemeanor. The FDA informs me that all too frequently the defendant is given a suspended sentence if it is his first offense.

Mr. Speaker, health is big business, and wherever large amounts of money can be made, organized crime moves in. Margaret Kreig, author of "Black Market Medicine,"[6] testified before the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations that—

Because of the virtual immunity of black marketeering in medications with millions of potential innocent customers, the Mafia is moving in. Preparations of underworld origin

[1] July 15, 1965. Public Law 89–74.

[2] See, Hearings before the Committee on Interstate and Foreign Commerce, 89th Congress, First Session, on H.R. 2. Serial No. 89–1, p. 1.

[3] On May 3, 1967, joined by 21 of my Colleagues, I introduced the "Alcoholism Care and Control Act of 1967". My statements in connection therewith will be found in the Congressional Record of May 3, 1967, page 11607.

[4] A report dated by the Committee on Public Health, New York Academy of Medicine, reprinted *supra* note 1, at 57.

[5] The *New York Times*, August 29, p. 11, Col. 6.

[6] Kreig, *Black Market Medicine*, Prentice-Hall, 1967.

have been found in druggists' stocks of tranquilizers, sedatives, stimulants, hormones, blood pressure-depressants, antibiotics, diuretics, asthma remedies, weight reducers, arthritis drugs, and so on. The dosage forms range from liquid injectibles, such as Vitamin B12, to tiny thyroid tablets.

I fear that Margaret Kreig's observations are correct. Mr. George P. Larrick, Commissioner of Food and Drugs of the Food and Drug Administration, has stated that organized crime rings are actively bootlegging these drugs throughout the country in operations dealing with millions of tablets and capsules.[7] Organized crime rings must not be permitted to distort the use of needed medications by turning them into addiction traps for young people or by distributing noneffective drug combinations disguised in legitimate packages. They must be stopped now. Inasmuch as the penalty for such activities is a misdemeanor, the defendant usually gets off with a suspended sentence, and the crime syndicate merely places another "frontman" into the operation and continues to operate the business as usual without any fear of severe criminal punishment.

An example of such a situation was reported by the California authorities on January 5, 1965. Acting on an anonymous call and subsequent surveillance, they raided a converted grocery store in Berkeley. The authorities found a rather elaborate laboratory and a number of chemicals used in the synthesis of amphetamine powder. The lone occupant of the premises was arrested; the legal owner was never found.[8]

My bill, by providing harsher penalties, would help to eliminate this type of illegal operation. The Bureau of Drug Abuse Control, in response to my inquiry as to whether raising the first offense from misdemeanor to felony status would help reduce the traffic in these drugs, replied, "We would warmly endorse legislation to that end."[9]

However, as we have learned from the prohibition era, strict penalties alone will not serve as instruments to deter prospective violators. For this reason, my bill also provides that the companies that are required to keep records for FDA inspection do so using a system separate from their usual bookkeeping methods.

The recordkeeping and inspection provisions of the 1965 amendment are the most important parts of the Federal regulatory attack on drug abuse. The records are intended to be used by the FDA to help furnish information regarding the extent of the dangerous drug problem; for example, the point in the chain of distribution where diversions of drugs occur. However, the number of companies and the mass of records which the FDA must inspect are too numerous to be reviewed in a manner which would carry out the original intent of the provision. The FDA has reported that it once took its inspectors 250 man-hours to check the records of a small firm in New York, having an annual gross volume of only $250,000 in depressant and stimulant drugs. This was less than 10 percent of the firm's total gross volume.

There are approximately 6,000 firms including 1,000 manufacturers and 2,400 wholesalers, which are required to register and keep records under the amendments. In addition, there are about 73,000 other establishments that are required to maintain records but are not required to register. Among this group are 54,000 pharmacies, 9,000 hospitals and clinics, 8,000 dispensing practitioners, and some 2,000 research facilities.[10] It is obvious that a productive inspection of these records becomes impractical under the 1965 amendment provision, section 511(d)(1). The pertinent part of the provision states:

No separate records, nor set form or forms for any of the foregoing (of manufacture, receipt and disposition), shall be required as long as records containing the required information are.

The President's Commission on Law Enforcement and Administration of Justice, after reviewing the effectiveness of this provision, stated that they did not believe that a proper and productive audit of such a mass of records is possible under the 1965 provision. The Commission recommended that section 511 (d)(1) be amended to require that records be segregated or kept in some other manner that would enable them to be promptly identified and inspected.[11] In my bill I have provided for repeal of the above quoted portion of section 511(d)(1). This would permit the Secretary of Health, Education, and Welfare to require segregated records as the Commission recommended.

In the 89th Congress, as part of my attack on drug abuse, I introduced four pieces of narcotic legislation: H.R. 13762, H.R. 13765, H.R. 13763 and H.R. 13764. See CONGRESSIONAL RECORD, volume 112, part 5, page 6165.[12] This legislation would:

Authorize pretrial civil commitment, in lieu of criminal prosecution, for medical treatment and probationary aftercare of those charged with narcotics offenses. The option for civil commitments, however, would not be offered to those who sell drugs for resale—H.R. 13762.

Authorize the appropriation of $15 million for grants to the States and local governments to construct and operate treatment and rehabilitation facilities for drug abusers—H.R. 13763.

Establish a Federal-State two-thirds, one-third matching grant program to provide support for State and local programs aimed at rehabilitation of the addict—H.R. 13764.

Modify the now-mandatory prison sentence imposed on addicts to permit Federal courts greater discretion in the employment of probation and sentence suspension and program of parole. Key provision—to end the existing 5-year minimum sentence imposed upon narcotics addicts, while mandatory sentence for narcotics sellers would remain unchanged—H.R. 13765.

On May 31, 1966, I was pleased to support the Narcotic Rehabilitation Act of 1966. Today I present to this body a drug abuse problem, just as serious as the one we wrestled with in the Narcotic Rehabilitation Act of 1966. These drugs are fast replacing the use of the "hard" narcotics such as opium, heroin, and cocaine.

Almost 2½ years have elapsed since the passage of the drug abuse amendments. The time has come for this body to carefully review all of its provisions and make the changes necessary to arm the Federal Drug Administration with the ammunition needed for its fight against misuse of drugs. My bill, I believe, is a step in that direction.

CARL SANDBURG—A FEW REMARKS BY A MAN WHO KNEW HIM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, the last few days Americans and literary friends from all over the world have mourned the passing of one of the grandest and noblest figures in America. Writers, authors, publishers, clergymen, statesmen, and people from all walks of life have expressed remorse and regret at the announcement of the passing of Carl Sandburg.

The death of Carl Sandburg is a literary and a national calamity. Even though he lived to be 89 and left us with a massive contribution that will live forever, the gap in his passing puts the whole world in deep mourning. What we lost in this fabulous poet, historian, and biographer, is some of the most precious sounds in the voice of America. And this cannot be retrieved except in the volumes of his immense literary achievements, which is now a vital part of the tradition of our country on the most exalted plane.

It is one of the most cherished and one of the proudest fragments of my own life that, on occasion, I can claim to have been closely and personally associated with Carl Sandburg on joint endeavors focused right here in the Capitol of the United States. And, I hope you will forgive me for this personal note—may I add an encomium for the Congress of the United States in making itself and these environs the occasion for great utterances from this remarkable master of the most rugged aspects of the American language. For the Congress of the United States, on my humble initiative, invited him to these sacred and historic halls of commemorate events in the life of Abraham Lincoln.

For right here and from this podium in the Hall of the House of Representatives, Carl Sandburg spoke to us, to the Nation, and to the whole world. It was an address before a joint session of Congress held in accordance with the provisions of House Joint Resolution 648, 85th Congress, commemorating the 150th anniversary of the birth of Abraham Lincoln. The Sandburg eloquence of that hour left an indelible impression on me personally and, I am sure, on the devoutly attentive Members of this House and the Senate and their guests. It was on this occasion, also, that the distinguished actor, Fredric March read the

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[7] *Supra* note 1, at 22.

[8] *Supra* note 1, at 341.

[9] Letter dated June 15, 1967, from Jack Bologna, Assistant to the Director, Bureau of Drug Abuse Control.

[10] The President's Commission on Law Enforcement and Administration of Justice, Task Force Report; Narcotics and Drug Abuse, p. 10.

[11] *Ibid.*

[12] Portions of these proposals are now in the law. 26 U.S.C. 4731, 1966.

Gettysburg Address as one part of the day's ceremonies.

Not often—

Said Carl Sandburg of Abraham Lincoln that day—

not often in the story of mankind does a man arrive on earth who is both steel and velvet, who is as hard as rock and soft as drifting fog, who holds in his heart and mind the paradox of terrible storm and peace unspeakable and perfect.

I am afraid I am myself not a poet, I am only a religious and perhaps a rather simple devotee of the kind of American poetry Carl Sandburg wrote. And this line is poetry for my sense of appreciation in the noblest expression of that subtle art. I carry here in my wallet, for quotation again and again and still again, the lines I treasure most from that address, and this is for me the most eloquent, the most succinct, the most impeccably superb and meaningful of them all. For that speech, forever recorded March 9, 1961, in a hard-cover report by the Joint Committee on Arrangements—of which I happened to be chairman—stands high—if not nearly highest—as a classic of classics in the long catalog of Carl Sandburg's works.

In fact for me, as I got to know him, there were sensitive overtones in those words—"both steel and velvet"—which, it seems to me apply as much to Carl Sandburg himself as to Abraham Lincoln. For how better describe Sandburg's poetry than to say its ingredients contain both the toughness of steel and the gentleness of velvet. Here was an immortal alloy of words that helped to bring closer to the heart and mind of mankind everywhere—in India, in China, in Russia, in Europe, the Near East—the greatest of our great Americans.

I hope the ablest of our academic American critics will agree with me that just as Abraham Lincoln was the most American of Americans, so Carl Sandburg was the most American of all our American poets, along, perhaps, with Walt Whitman.

He had a liaison of the soul with Abraham Lincoln.

Again, for me his six-volume masterpiece—the biography of Lincoln—won not only the Pulitzer Prize, but also the very heart and soul of America. This enormously skillful, diligently mastered, powerfully moving tour de force, was, I insist, not a eulogy as such; it was at once history in the most authentic sense, scholarly and probing; it was biography that one can read with the ease of a newspaper column, and, above all, it was an appreciation of the noblest and the greatest life in the history of American biography, done in the intellectual environment of the utterest integrity.

Much more than a work of pedagogic scholarship it is a breakthrough in the patterns of biographical writing and creates a new and magnificent standard in this phase of the literary art. What made this excellence possible was the unique partnership of renown between two of the greatest men—each in his own sphere—produced on American soil: the statesman and the poet. And it set for all time, in a state of permanent beauty and decency, the much maligned image of America.

Our country as long as it lives will hold highest the memory of the greatest President and its greatest poet, for we shall never be able to think of the one without thinking of the other.

Mr. Speaker, you will remember February 12, 1959, when the Congress met in joint session to hear this private citizen speak for all of us so eloquently in his tribute to Lincoln. You will remember the report to Congress authorized and published on the ceremonies to commemorate the 150th anniversary of Lincoln's birthday. This report revealed, that every newspaper in America, carried the story of that memorable day and with it the remarks of Sandburg. The report also reminds us that this occasion was noted worldwide. In most cases, the publication had their own comments. The television and radio presented the program live and, then, on request replayed it many, many times all over America.

Typical and, yet, one of the best comments made by Max Freedman in the Manchester Guardian on February 19, 1959, wrote under the title "Congress Weeps for Lincoln."

With proud thanksgiving and noble grief the Nation today honored its martyred President. All over the United States there were ceremonies to mark the hundred and fiftieth anniversary of Lincoln's birth; but the supreme tribute was reserved for the Halls of Congress, where he once served and whose criticism so often fell like a scourge upon him in the agony of the Civil War.

Never in living memory has there been an occasion in Washington comparable to this, so moving in its contrasts, so memorable in its appeal, so majestic in its inspiration. The discords and debate which jangle through Congress were forgotten as the soul of America stood revealed for all the world to see.

A nation may be judged by its heroes; and no small people could have nurtured Lincoln or honored him in this matchless national tribute. Unforgettable were the contrasts. The scene was the great Chamber of the House of Representatives, to which had been invited the Members of the Senate for a joint session of Congress.

As the Senators came in it was impossible to forget that earlier scene, so heartshaking in the intensity of its pathos, when the southern Senators on the eve of the Civil War bade a solmen valedictory to Congress and departed for their homes and States to stand with their neighbors in armed defense of the South.

Directly in front of the Speaker's platform were seated Chief Justice Warren and the Associate Justices of the Supreme Court, all in their black robes, and visibly impressed by their ovation by Congress and the still more eager welcome extended by the crowded galleries.

In everyone's mind was the Court's work in completing the liberation of the Negro so nobly begun by Lincoln as an act of military necessity but graced with a virtue that the years have widened and enriched. Lincoln wanted the Negro to come into his inheritance of freedom; he wanted him to vote; he wanted him to be fully educated; and he hoped the start in these tasks of freedom would be quickly made with the ablest and most intelligent Negroes.

These old dreams are now woven into the fabric of freedom—and are entangled, too, in the knotted cords of race hatred. But today there was a truce in the ancient quarrel as the spirit of Lincoln made a sanctuary out of Congress. In little things as in great, the chivalry of idealism flashed its message.

But the greatest tribute of all was in seeing the emotion of Congress as tears stood in the eyes of many Senators and Congressmen. They listened with profound emotion to Mr. Fredric March read the Gettysburg Address and gave three separate ovations to the cadenced, passionate eulogy of Lincoln spoken by Carl Sandburg, the poet-biographer.

Mr. Sandburg patted Mr. March's hand in encouragement as the actor arose to read the famous speech.

Not often in the story of mankind—

Mr. Sandburg quietly began—

Does a man arrive on earth who is both steel and velvet, who is as hard as rock and soft as drifting fog, who holds in his heart and mind the paradox of terrible storm and peace unspeakable and perfect.

In the time of April lilacs in the year 1865—

Came Mr. Sandburg's deep voice—

The casket with Lincoln's body was carried north and west a thousand miles; and the American people wept as never before—bells sobbed, cities wore crepe, people stood in tears and with hats off as the railroad burial car paused in the leading cities of seven States, ending its journey at Springfield, Ill., the hometown.

Mr. Sandburg recalled that during the 4 years in which Lincoln was President "he at times, especially in the first 3 months, took to himself the powers of a dictator." When Lincoln came to Gettysburg he spoke not of the brave Union men but simply of the "brave men, living and dead, who struggled here." Did he have a purpose in omitting the word, "Union"? No one knew for sure, but perhaps Lincoln was thinking of the Kentucky father whose two sons died in battle, one in Union blue, the other in Confederate gray, the father inscribing on the stone over the double grave, "God knows which was right."

Now Mr. Sandburg concluded:

The people of many other countries took Lincoln for their own because "he belongs to them." Lincoln stood for decency, honest dealing, plain talk, and funny stories. His most enduring memorial was "in the hearts of lovers of liberty, men and women who understand that wherever there is freedom there have been those who fought and sacrificed for it."

Mr. Speaker, the applause went on until it seemed as if it never would end. Several Justices of the Supreme Court cleared their eyes of tears; so did Senator Lyndon Johnson and Senator DIRKSEN, the two party leaders of the Senate. Finally Mr. Sandburg and Mr. March left the Hall, stopping, appropriately enough, to salute the members of the Supreme Court and to shake hands for an instant with Chief Justice Warren, who symbolizes the victory of law for which Lincoln, even in the heat of battle, prayed and worked.

Another great author, Edwin Markham, wrote some lines about Lincoln that apply as well to this eloquent biographer. They read:

Here was a man to hold against the world, a man to match the mountains and the sea.

GENERAL LEAVE TO EXTEND

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to pay their tributes to Carl Sandburg.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, Carl Sandburg was poet, historian, novelist, and troubadour—but transcending all of these professions, he was the palpable expression of an ideal—he embodied America's faith in the common man, in the dignity of the individual.

When he died, at the age of 89, he was almost half as old as the Republic to which his parents had emigrated. He earned his living, at various times in his life, as milkman, barbershop porter, sceneshifter, truck handler, dishwasher, harvest hand, and railroad construction worker. He served in Puerto Rico in the Spanish-American War, having enlisted in the Sixth Illinois Volunteers. Upon his return he entered college and became editor of the college newspaper, captain of the basketball team, and janitor of the gymnasium. After leaving college, he was salesman, advertising manager, and newspaperman. He was one of those rare individuals who cherished all seasons and who sought the truth in all things. "I don't have an opinion that stays with me from time to time. It's always a flux of opinion and feeling of outlook, from month to month." "It annoys me to die," he once wrote. "I should like to see what follows."

Carl Sandburg is dead. But his fierce, rugged cadences, which owed so much to the rough verse of Whitman, are a part of the American heritage. He loved the broad flat prairies of his native Illinois, and the harsh brawl of Chicago—"hog butcher for the world." He loved simplicity—the company of children, the honesty of labor. His mammoth six-volume biography of Lincoln, lauds the simplicity of a man whose will was of iron—a man of whom Sandburg, standing before Congress in 1959, paid a tribute which could well be his own epitaph:

Not often in the story of mankind does a man arrive on earth who is both steel and velvet, who is hard as rock and soft as drifting fog, who holds in his heart and mind the paradox of terrible storm and peace unspeakable and perfect.

Carl Sandburg was far more than a gentle patriarch. His fierce indignation at social injustice motivated his work in the thirties as a labor organizer and social reformer. He saw firsthand—and never forgot—the human misery which industrial growth can so callously spawn, and he devoted the better part of his middle years to the cause of justice and humanity.

But most of all he loved America. In answer to his own question—"What is the greatest single result from our Civil War related to the present hour of fate and history?"—Carl Sandburg replied:

It could be that the answer is we are a united, powerful nation and our power rests chiefly on our unity. Our nation of unbreakable United States is the foremost powerful contender for freedom for all men the world over.

Carl Sandburg's charm and his greatness captivated audiences of all kinds. He could move stern political assemblies, even as he could capture the hearts of an outdoor crowd carelessly gathered on a warm summer night. He was the son of a blacksmith, but he came to know Presidents and statesmen, and the King of Sweden, his ancestral land. But he never repudiated his origins, nor wanted to.

I was born on the prairie and the milk of its wheat, the red of its clover, the eyes of its women gave me a song and slogan—

He wrote in a poem called "Prairie." He could also sing of "Smoke and Steel," and his pride in the big city:

Smoke of the finished steel, chilled and blue,
By the oath of work they swear: "I know you."

His legacy is one of hope for the human race. He expressed pride in being, and humility in creating. His life was a testament to the tough virtues that made this country great, and to the durability of the human race:

Man is a long time coming.
Man will yet win.
Brother may yet line up with brother:
This old anvil laughs at many broken hammers.
There are men who can't be bought.

Mr. GERALD R. FORD. Mr. Speaker, one of the truly great Americans is no longer with us, and we are much the poorer for it.

Carl Sandburg was more than a poet, although he was satisfied to bear that title. Mr. Sandburg was a minstrel, a bard, folk singer, a teller of tales uniquely American, and one of the greatest biographers of that great American President, Abraham Lincoln.

Mr. Sandburg, who sang the glories of industrial and prairie America in verse and prose, was himself a slice of Americana. He was easily the most national American poet since Walt Whitman.

It took a poet with Sandburg's soul to sense beauty in the harsh skyline of industrial America, the smoke funneling from its steel mills and the sounds and smells emanating from Chicago's stockyards. It took Sandburg with his special feel for raw beauty and love of a lusty and growing America to translate these sights and sounds into the language of midwestern music.

Mr. Sandburg drew his greatness as a writer from his love for people and his love for the glorious land that is America. It was because Abraham Lincoln was a man "of the people, by the people and for the people" that Carl Sandburg labored so devotedly for 30 years to produce his monumental Pulitzer Prize-winning biography of Lincoln.

There was much of Lincoln in Sandburg, for Sandburg too was honest, witty, and earthy, and endowed with a unique kind of simple eloquence.

Like Lincoln, Sandburg spoke to the American people in language they understood. The critics were hopelessly wrong when they criticized Sandburg for employing slang words and phrases that bordered on the crude. He communicated. He used words that fit. He was therefore among the best of poets.

America spoke through Carl Sandburg. America should also listen to him, for Carl Sandburg had the vision. And he had integrity. We should "listen good" when Carl Sandburg says:

Man is a long time coming.
Man will yet win.
Brother may yet line up with brother:
This old anvil laughs at many broken hammers.
There are men who can't be bought.

Carl Sandburg could have been writing his own epitaph when he shaped those sentences, for he was one of those men.

Mr. KASTENMEIER. Mr. Speaker, the Nation is saddened by the loss of one of her most honored and beloved writers, Carl Sandburg. A poet, a singer of American folk tales, and a Pulitzer Prize biographer of Abraham Lincoln, Carl Sandburg held a special place in the hearts of his countrymen. His was a uniquely authentic American voice. "He celebrates what is best in us," Henry Steel Commager wrote of him, "and recalls us to our heritage and our humanity." Many of us here in the Congress will remember his moving address on February 12, 1959, before a joint session commemorating the 150th anniversary of the birth of Abraham Lincoln.

Mr. Speaker, it is in this respect that I would like to call to the attention of my colleagues an editorial eulogizing the late Carl Sandburg which appeared in the July 26, 1967, Madison, Wis., State Journal:

ROUGH AND GENTLE POET—A LOT OF LINCOLN IN SANDBURG

Poet for the people, biographer, novelist, singer of folk songs, and teller of tales—He was Carl Sandburg, a man with shaggy hair who retired to a goat farm.

He was the son of an immigrant who roughened his hands at any work that would put bread on the table.

He was a milk wagon driver, a barbershop porter, a worker in a tin shop, and in the winter he carved some of the cold into blocks of ice to be stored in sawdust for next summer's use.

He was a dish washer, a railroad section hand, a toiler who followed dusty harvest and reaped folk songs along the way, storing them in his own personal granary for use years later.

He was a soldier, a salesman, a political party organizer, an advertising manager, an aide to a Socialist mayor, a foreign correspondent, editorial writer, and a goat raiser.

He was all that, and more.

He put Chicago into words for the world to see and feel—from its stockyards and sprawling railways to its loud laughter of youth, the "City of the Big Shoulders."

He pulled Abraham Lincoln out of a fog of myth and gave him back to history as he really was, a warm man but a human one with frailties.

There was a lot of Lincoln in Sandburg, just as there was a lot of Chicago in him—"under his ribs the heart of the people."

Like Whitman, he heard America singing; and like Ulysses, he was a part of all that he had met.

But he could be the despair of newspaper editors by disappearing at a labor convention, overwhelmed by the importance and the excitement.

If he had never written anything except his grand scale biography of Lincoln, from the prairie years through the presidency and the assassination, he would have been honored and remembered.

He could be rough, as with his Chicago

poem; or gentle, as with his Fog coming "in on little cat feet." And he could answer critics with defense of slang: "a language that rolls up its sleeves, spits on its hands, and goes to work."

Carl Sandburg did not ask much: "a little love in the home and a little affection and esteem outside the home."

The love and affection for him now remain a legacy that will grow and grow as long as the story of America is told.

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

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

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding.

First of all, I want to compliment the gentleman for the very meaningful and very deep felt and eloquent remarks on behalf of Carl Sandburg.

I also want to compliment the gentleman for his leadership in arranging and directing arrangements for the joint session of the Congress at which Carl Sandburg appeared. It was an occasion which was before my election to Congress, but it was an event which I and many other Americans had the opportunity to witness on television.

Mr. Speaker, I am pleased to join today in tribute to one of America's great citizens and a native son of my home State of Illinois, Carl Sandburg.

It was my privilege to meet and visit with Carl Sandburg on various occasions during the height of his career as poet, historian, and articulate narrator of various forms of Americana. During the period from 1941 to 1951 I was associated in the practice of law in Chicago with the late Oliver R. Barrett, about whom Carl Sandburg wrote a biography entitled "Lincoln Collector: The Story of Oliver R. Barrett's Great Private Collection." One of my proud possessions is a copy of this volume autographed by Carl Sandburg and Oliver R. Barrett. Of course, the volume describes the original manuscripts and other memorabilia of Lincoln and of the Lincoln period, which Oliver Barrett collected during his lifetime, and which were examined by Carl Sandburg in the course of his thorough research resulting in his brilliant biography of Abraham Lincoln.

However, my personal contacts with Carl Sandburg were not related so much to the Lincoln theme as to the more contemporary American life, which he described and portrayed in song, verse, and melodic prose. Carl Sandburg's voice fairly rang with the spirit of urban and rural indigenous America—the voice and the sound of the pioneer—the rough-hewn citizens who rose from the soil to build this great and mighty land.

Combined with Carl Sandburg's dramatic and poetic portrayal of America, there appeared intermittently a brilliant, dry sense of humor, so essential in giving full meaning to the America which he loved and depicted.

Both Mrs. McClory and I had the privilege of meeting and visiting with Carl Sandburg informally in the office of Oliver R. Barrett in Chicago some 18 years ago, a privilege which came to few of our citizens. On those occasions we came under the spell of this resourceful American, whom we pause to recall today. We received a rare and rich blessing from his presence, which through the modern medium of television has reached countless millions of our fellow citizens since that time.

America is a more meaningful and more appreciated land because Carl Sandburg lived and worked here. The world itself is far richer because of his life and devotion to his fellow man. Carl Sandburg fulfilled the great scripture according to St. John that, "Ye love one another even as I have loved you."

Mrs. McClory joins in this tribute and in expressing sympathy to Mrs. Sandburg, and to other members of the family.

Mr. SCHWENGEL. I thank the gentleman very much.

Mr. RAILSBACK. Mr. Speaker, it is with great respect and admiration that I pay tribute today to Carl Sandburg—the American bard. He was that, but so much more. He caught in his pages a certain moment and certain place in our history. Those pages have become a part of our permanent record.

Born in the prairie town of Galesburg, which lies in my congressional district in Illinois, Carl Sandburg's ashes will be scattered there. But his legacy claims no geographical location; he belongs to us all. He was a national poet, one of America's greatest.

He came at a time when the prairie merged with the metropolis. He understood both worlds and synthesized them in his mind. He was able to explain America itself—for the people, in their language. For his was writing rich from authentic experience, full of folklore and idiomatic speech—of talk from farms, mines, hobo campfires, section gangs, soapboxes. It tells what the common man thinks, it affirms his strength and value.

How appropriate that our President should say of Carl Sandburg: He "was more than the voice of America, more than the poet of its strength and genius. He was America."

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

Mr. SCHWENGEL. I am glad to yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Speaker, it is fitting that the chairman of the U.S. Capitol Historical Society here in Washington should lead the tribute today to this great American, Carl Sandburg. I should like to associate myself with the inspired tribute of the gentleman from Iowa, just rendered.

As one who comes from Chicago and has recognized that more people learn to love and to respect Chicago from the works and the poetry of Carl Sandburg than from anything else ever written about the city, I congratulate the gentleman in the well today for taking this time to prepare such an inspiring tribute to this great American author.

There is no question that Carl Sandburg had that unique facility and capacity to see, where there was darkness, light; to see, where there was despair, hope.

There is no question that Carl Sandburg captured the rugged spirit of the Midwest, and in particular he captured the daring, the hope, the light and the beauty of Chicago, "Hog butcher for the world."

Carl Sandburg knew how to treat people and to place their noble character in inspiring verse.

The world is certainly fortunate and so much the richer today that in this fleeting moment, as time flies over the centuries, Carl Sandburg was here. Even though he shall never pass again, the beauty of his talent shall survive all time, because Carl Sandburg had that one capacity I believe has made him the inspiration of so many people—Carl Sandburg dared to be different.

Mr. SCHWENGEL. I thank the gentleman very much.

SELF-HELP IN SOUTH AMERICA—II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GOODELL] is recognized for 30 minutes.

Mr. GOODELL. Mr. Speaker, the President, addressing himself to revision of the Foreign Assistance Act on February 9, asked that we establish "agriculture, health and education as our primary concerns." "Self-help," he said, is the "overriding principle" in the implementation of goals. "Foreign assistance programs," he said, "must respond to the ideas which move men in the emerging nations today. They must draw upon the lessons of experience."

In our considerations of these laudable recommendations, we might well draw on the experience of Colombia.

Accion Comunal, the national community action program, was organized in 1958, 3 years before the birth of the Alliance for Progress. It has played an increasingly significant role in improvement of the quality of life in rural areas. Significantly, it is a wholly indigenous program. There is no indication that it has received a single penny of U.S. assistance.

On the contrary, it has been consistently plagued by inadequate funds and personnel, and only in the last year has it achieved substantial integration with the activities of the Peace Corps. Nonetheless, the annual contribution of the program is impressive. In 1965, 102.9 million pesos—more than $10 million—was invested in Accion Comunal projects. This investment, which is more than one-sixth of the average annual U.S. assistance allocation for the country, is growing. The administrative budget for 1967, 2.5 million pesos, is a 50-percent increase over the 1965 figure.

Among the objectives of the program are improved agricultural productivity, school construction and improved environmental sanitation. The principal contribution has been classrooms, water systems and sewerage facilities.

In 1965, 3,556 school projects were undertaken, including the construction or enlargement of 2,478 classrooms.

The savings effected through the program is also impressive. The national budget for 1965, a surprisingly detailed document, lists appropriations by individual schools. Average classroom costs for Accion Comunal projects are 13,000 pesos. Those classrooms provided conventionally through the Ministry of Education average 48,000 pesos, indicating a savings of more than two-thirds.

The basic unit in the program is the local community action council, or junta,

organized by the people of the community in much the same way as our own community citizens associations. There are 8,812 such juntas functioning throughout the country.

Advising these juntas is a corps of coordinators, who serve as liaison between the local and national levels. These young men and women assist in planning of local projects, process applications for financial assistance from the National Government, arrange and coordinate technical assistance from the various government agencies, and are responsible for the proper use of assistance. This corps numbered 165 on July 1, 1966, and was supported by another 124 personnel in supervisory and technical capacities.

Accion Comunal functions as a coordinator between the local communities and the national government to integrate self-help public works into the national planning effort and support the local effort with technical assistance available in existing agencies. For example, when a junta decides to build a school or a road, engineering and architectural services are arranged through the Department of Public Works.

In July of last year total personnel working in the program was 523, including in addition to 289 Columbians, 206 Peace Corps volunteers, and 28 Dutch volunteers. That number has increased, but the latest figures are not available.

I have recently received the report on Accion Comunal which I referred to in my earlier discussion of the program—H2637. It reflects the details of the program. The following information was obtained from Accion Comunal of the Ministry of Government in answer to questions in reference cable:

1. Budget:

[In pesos]

	Operational	Investment
Calendar year 1966 budget: Acción comunal	2,500,000	7,400,000
Calendar year 1967 budget: Acción comunal	2,500,000	22,700,000

In addition to budget allocated directly to Acción Comunal, there are additional inputs from other ministries (Health, Education, etc.). In CY 1965, for example, total investment in Acción Comunal projects was 102.9 million pesos from the following sources: Community 29.4; Nation (including Acción Comunal) 40.4; Departments 22.5; Regional Corporations 0.9; Municipalities 1.3; Private Donations 7.9; International Organizations 0.5.

2. Personnel in Acción Comunal (Mid-calendar year 1966):

National level	63
Central office	5
Regional promoters	19
Local promoters	39
Departmental level	91
Departmental promoters	91
Municipal level	16
Municipal promoters	16
Other national and departmental personnel	119
Total Colombian	289
Peace Corps volunteers	206
Dutch volunteers	28
Grand total	523

The above probably does not include semi-government or private efforts from such organizations as INCORA, the CAFETEROS, private volunteers, etc., and does not include UN personnel. Private Rural Reconstruction Group, Future for Children Foundation, Community Development Foundation.

3. Number of community action councils:

Registered (Personería Jurídica)	4,702
Not registered	4,110
Total	8,812

This total is probably low. Spontaneous Councils are difficult to tabulate.

4. Number of classrooms and kilometers of roads: Available statistics based on number of projects not on number of classrooms and kilometers of roads. (See 5 below.)

5. Statistics on accomplishments past year:

INVESTMENTS ACCOMPLISHED IN 1964-65 (CALENDAR YEAR 1965) BY COMMUNITY ACTION

Project and status	Number of projects	Number of units
I. EDUCATION		
Classrooms:		
Construction or enlargement:		
Completed	436	730
Initiated	545	1,113
Planned	311	635
Subtotal	1,292	2,478
Fix, repair, or improve:		
Completed	246	377
Initiated	46	133
Planned	40	82
Subtotal	332	592
Installations or additional services:		
Water supply line for school:		
Completed	27	28
Initiated	19	21
Planned	10	10
Subtotal	56	59
Road for the school:		
Completed	6	6
Initiated	4	4
Planned	5	7
Subtotal	15	17
Bathrooms for the school:		
Completed	32	45
Initiated	1	2
Planned	12	18
Subtotal	45	65
Electrification for the school:		
Completed	4	8
Initiated	0	0
Planned	0	0
Subtotal	4	8
Others:		
Completed	1	1
Initiated	1	1
Planned	0	0
Subtotal	2	2
Equipping:		
Completed	10	18
Initiated	0	0
Planned	0	0
Subtotal	10	18
Teachers' quarters:		
Construction or enlargement:		
Completed	5	6
Initiated	3	3
Planned	2	5
Subtotal	10	14
Fix or repair:		
Completed	1	1
Initiated	0	0
Planned	0	0
Subtotal	1	1
School restaurants—Construction or enlargement:		
Completed	14	15
Initiated	2	4
Planned	8	8
Subtotal	24	27

INVESTMENTS ACCOMPLISHED IN 1964-65 (CALENDAR YEAR 1965) BY COMMUNITY ACTION—Continued

Project and status	Number of projects	Number of units
I. EDUCATION—Continued		
Community centers:		
Construction or enlargement:		
Completed	82	82
Initiated	12	12
Planned	22	22
Subtotal	116	116
Fix, repair, or improve:		
Completed	2	2
Initiated	0	0
Planned	0	0
Subtotal	2	2
Additional services—Bathrooms:		
Completed	1	1
Initiated	0	0
Planned	0	0
Subtotal	1	1
Athletes fields:		
Construction or enlargement:		
Completed	79	82
Initiated	19	19
Planned	18	18
Subtotal	116	119
Fix, repair, or improve:		
Completed	1	1
Initiated	0	0
Planned	2	2
Subtotal	3	3
Installations or additional services—Others:		
Completed	2	2
Initiated	0	0
Planned	0	0
Subtotal	2	2
Children's parks:		
Construction or enlargement:		
Completed	13	13
Initiated	6	6
Planned	11	11
Subtotal	30	30
Fix, repair, or improve:		
Completed	2	2
Initiated	0	0
Planned	0	0
Subtotal	2	2
Total:		
Completed	964	1,420
Initiated	658	1,318
Planned	441	818
Grand total	2,063	3,556
II. WATER SUPPLIES		
Aqueducts:		
Construction or enlargement:		
Completed	92	93
Initiated	65	65
Planned	145	147
Subtotal	302	305
Fix, repair, or improve:		
Completed	9	9
Initiated	9	9
Planned	5	5
Subtotal	23	23
Wells and reservoirs—Construction or enlargement:		
Completed	24	27
Initiated	5	6
Planned	2	2
Subtotal	31	35
Basins or pumps:		
Construction or enlargement:		
Completed	10	10
Initiated	0	0
Planned	1	6
Subtotal	11	16

INVESTMENTS ACCOMPLISHED IN 1964-65 (CALENDAR YEAR 1965) BY COMMUNITY ACTION—Continued

Project and status	Number of projects	Number of units
II. WATER SUPPLIES—Continued		
Basins or pumps—Continued		
Installations or additional services—		
Water supply tanks:		
Completed	9	12
Initiated	3	9
Planned	2	2
Subtotal	14	23
Total:		
Completed	144	151
Initiated	82	89
Planned	115	162
Grand total	381	402
III. SEWERAGE		
Sewerage systems—Construction or enlargement:		
Completed	19	26
Initiated	30	27
Planned	40	40
Subtotal	89	93
Urban sewers—Construction or enlargement:		
Completed	4	4
Initiated	1	1
Planned	0	0
Subtotal	5	5
Latrines—Construction or enlargement:		
Completed	31	1,306
Initiated	11	794
Planned	0	0
Subtotal	42	2,100
Total:		
Completed	54	1,336
Initiated	42	822
Planned	40	40
Grand total	136	2,198
IV. NEIGHBORHOOD ROADS		
Neighborhood roads—Construction:		
Completed	-------	-------
Initiated	-------	-------
Planned	-------	-------
Totals:		
Completed	-------	-------
Initiated	-------	-------
Planned	-------	-------
Total:		
I. Education:		
Completed	964	1,420
Initiated	658	1,318
Planned	441	818
Total	2,063	3,556
II. Water supplies:		
Completed	144	151
Initiated	82	89
Planned	155	162
Total	381	402
III. Sewerage:		
Completed	54	1,336
Initiated	42	822
Planned	40	40
Total	136	2,198
IV. Neighborhood roads:		
Completed	-------	-------
Initiated	-------	-------
Planned	-------	-------
Total, I, II, III, and IV		
Completed	1,162	2,907
Initiated	782	2,229
Planned	636	1,020
Grand total	2,580	6,156

6. Acción Comunal literacy or education program: Acción Comunal activities do contribute to literacy and education via development of facilities and community organizations that can carry out such projects but does not have a specific functional program in these fields at this time. National and Departmental Ministries of Education do. For example, ETV has pilot program in literacy in Antioquia testing possibilities. Laubach Foundation, Peace Corps and University of Antioquia collaborate in effort. Private efforts are significant through secondary school and university volunteers, Laubach Foundation, Organización Cívica Colombiana para la Alfabetización (Colombian Civic Organization for Literacy), etc.

A FINE PUBLIC SERVANT RETIRES

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. CORMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CORMAN. Mr. Speaker, a native Californian, an outstanding engineer and a great public servant is being honored by his friends and associates in Los Angeles on August 9 on the occasion of his retirement after more than 40 years of public service.

Edward T. Telford was born in Santa Ynez, Calif., a small town in Santa Barbara County. He served his Nation in two world wars. During World War I, he saw service in the Infantry, leaving the service in 1919 with the rank of sergeant major. He remained in the Army Reserves, and in February 1941 was recalled to active duty with the rank of captain. After duty in North Africa and in the India-Burma area, he retired from the service in 1946 with the rank of colonel.

Mr. Telford's career began with his employment, prior to World War I, with the city of Santa Barbara. After the war, he became a highway surveyor for Santa Barbara County, and in 1927 joined the California State Division of Highways.

In 1956, Mr. Telford was appointed district engineer in charge of California's district VII, consisting of Los Angeles, Orange, and Ventura Counties. This post, from which he is now retiring, charged him with responsibility for an annual budget of over $200 million and supervision of over 4,000 employees.

When Mr. Telford was appointed district engineer, district VII had 76 miles of freeways. Today, 531 miles of freeways carry 5 million vehicles daily, and an additional 70 miles are under construction. Mr. Telford and his associates have plotted the general plan for construction of another 1,200 miles of freeways in these California counties.

A recognized authority on urban traffic planning, Mr. Telford, at the invitation of the Republic of South Africa, served with distinction as consultant on traffic problems to the cities of Pretoria, Capetown, Johannesburg, Port Elizabeth, and Durban.

For many years Mr. Telford retained membership on the Design Committee of the Highway Research Board of the National Academy of Science. He also served as president of the Engineer's Club of Los Angeles. In addition, Mr. Telford had membership in the American Society of Civil Engineers, the American Association of State Highway Officials, the American Public Works Association, and the American Road Builders' Association.

During Mr. Telford's career many changes have taken place in his field of endeavor. Radio and television, data processing, computer programing, aerial surveying, and other modern management and planning tools have become available. Instead of shovels and simple horse-drawn equipment, contractors now use the latest mechanized equipment and machinery. Mr. Telford and his associates have mobilized these tools of science in the planning and development of one of the greatest systems of freeways in the world.

In leaving the California State Division of Highways, Mr. Telford will leave behind him younger men and women he has helped to train and inspire. This may well prove to be his greatest public contribution, and one he can take pride in.

I congratulate Mr. Telford on his outstanding record of service. I wish for him much happiness in his retirement years.

UNITED NEIGHBORHOOD HOUSES OF NEW YORK, INC.

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. FARBSTEIN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FARBSTEIN. Mr. Speaker, United Neighborhood Houses of New York, Inc., is one of the Nation's outstanding spokesmen for the poor. Recently, United Neighborhood Houses, a federation of 35 nonsectarian settlement houses in New York City, sponsored a special hearing on antipoverty in order to give poor people in New York City an opportunity to voice their views. As you know, on May 8 and 9 the U.S. Senate Subcommittee on Employment, Manpower, and Poverty held a hearing in New York City. Of 30 or more people who were called to testify, there was minimal, if any, representation of the actual consumers of antipoverty programs.

United Neighborhood Houses thought that there should be testimony from those who are most vitally concerned in the war against poverty. All of the participants in the special hearing were low-income people, residents of poverty neighborhoods—settlement-connected as neighborhood workers, policymakers, service consumers. Their words were eloquent proof of the effectiveness of the poverty program. I only wish that we could dedicate more of our national resources to this program. I would like to introduce into the RECORD a summary of the recent testimony.

The tone of the majority of the remarks was generally positive. Many praised the opportunities made available to them and their children through the war on poverty, particularly in Project Headstart and a special preschool program financed by OEO in three settle-

ment houses. Mothers noted marked improvement in their children's social adjustment, reading, and other skills. However, several parents observed that the kindergartens in local schools have failed to keep in step with the times and negate the positive results of Headstart. They called for closer cooperation between Headstart and the board of education to remedy the inadequacies of the kindergartens. One Headstart mother complained that the income ceiling of $4,000 for eligibility for Headstart is too low for many New York City dwellers, where living costs are high. These ceilings rule out many poor families who cannot otherwise afford preschool experience for their children. A scaling of income ceilings for poverty programs based on locality merits consideration.

The elderly testified, bearing witness to their plight. All were concerned about the low social security checks they received and the difficulty they had in living on these sums. A few of the elderly indicated an interest in part-time employment but said that they were not successful in gaining it themselves. No one would hire them. One suggested that they help in day care centers, fulfilling their own needs and, concurrently, the need for increased day care services to children.

Many women wanted to continue their education and/or find employment as a consequence of their active participation in community action programs but were unable to do so. They have small children and present day care facilities are scarce. Many mentioned the need for more day care centers. Others who testified pointed out that there are no jobs for those who receive special training in the antipoverty program, although the need for services in the ghetto neighborhoods—services they have been trained to perform—is enormous.

Many expressed their feelings of insecurity concerning the stability and permanence of existing programs. As one woman testified:

> The poor are very popular right now. But the spotlight might not be on us in a couple of years. It might peter out. I would like to see programs that we have started go on.

Neighborhood Youth Corps participants feel particularly squeezed by the lack of funds. They complain of inadequate tools for vocational training and a lack of proper instruction in these skills.

Another complaint was that welfare payments to families of Neighborhood Youth Corps members are decreased due to their earnings. A panelist commented that Commissioner Ginsberg has been trying to develop some new formula and that this condition has to be changed in Albany and Washington.

All of the witnesses were unanimous in their determination to pull themselves and their children out of poverty. None asked for handouts. On the contrary, their goals were education, training, jobs—education, training and jobs that lead somewhere, that are not dead ends and false starts. Many of those who spoke, however, offered grim proof of how inadequately Government-financed programs have tackled these goals thus far. Some witnesses had been trained but could not get jobs. Others wanted training but had no way of obtaining it without some place to leave their young children—some place safe. Still others were in training but the training was weak, handicapped by inadequate and uncertain funding for tools, equipment, trainers. We cannot afford to overlook their commentary—both its positives and its negatives.

TEXTILE IMPORTS

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. NICHOLS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. NICHOLS. Mr. Speaker, I would like to call the attention of the Members of Congress to the continued flow of foreign imports of cotton goods which continue to plague our American textile industry. This relentless increase in imports has occurred under existing tariff regulations, and is further depressing textile employment throughout the country.

In my own district in Alabama, a great number of my textile mills are on short time, with some of the yarn mills being particularly hard hit, and working on a 3-day workweek. This means, of course, a smaller paycheck for the textile worker, and seriously threatens the economy of those communities dependent on textiles as their largest industry. The cotton farmer, of course, is also affected in that foreign goods spun with foreign cotton take away the American cotton-growers' domestic market, and this is most disturbing to those of us who come from cotton-producing States.

The recent Kennedy rounds which reduced tariffs by approximately 20 percent on imported cotton goods actually places the American cotton industry in a worse position than before the Kennedy rounds started. Almost 200,000 jobs in the textile mills of this country have been displaced by foreign imports, and it is a matter which rightly concerns all of us who continue to believe in the free enterprise system of this great country. The U.S. textile industry is by far more efficient than any cotton mills anywhere in the world. They pay top wages, and the working conditions in the industry are constantly being improved. They contribute significantly to every good cause in the communities where they operate. But, Mr. Speaker, they are not so efficient that they can compete against these foreign imports made with cheap labor, which I see every time I go to look for a cotton shirt on department store counters here in Washington.

Many of my colleagues have joined me in introducing companion legislation to place a reasonable limitation on these imports, and I hope and trust that before the 90th Congress has adjourned that we will take the necessary action to pass this particular piece of legislation. It so happens that I come from a district and a State where textiles comprise a major segment of the economy. My hometown of Sylacauga, Ala., is the home of Avondale Mills, one of the giants of the American textile industry. Recently Avondale's most able president, Mr. J. Craig Smith, wrote an article in their company newspaper, the Avondale Sun, which was later reprinted as Avondale Mills' annual ad in the "Man of the South" edition of Dixie Business. Because this article so ably sums up some of the aspects of the foreign textile trade, and the resulting dangers of doing business with Hong Kong, Red China, and other Communist countries, directly or indirectly, I place Mr. Smith's article in the RECORD at this point:

HAZARDS OF TRADING WITH THE ENEMY

A friend has sent me some clippings from the Hong Kong newspapers. As was the case when I was in Hong Kong, we are continually critcized for not permitting more of their textiles to displace textiles made in this country. Hong Kong is a teeming city of some three million people. Although a British colony, located partly on a small island and partly on a small peninsula of the Chinese Mainland, the population is at least ninety-eight per cent Chinese. The average wage is less than a dollar a day in American money. Hong Kong textile exports to this country are tremendous.

Hong Kong imports a large volume of cloth from Red China. Our State Department says garments made from Chinese cloth don't come to the United States. I can't prove that they do come and the State Department can't prove they don't come. Whether the actual Red Chinese cloth comes here or not makes no difference. The effect on Red China and the effect on the United States is the same even if all of the Chinese cloth is substituted for cloth made in Hong Kong or imported from Japan.

Any time the Red Chinese wanted to push the British out of Hong Kong, they could do so overnight with a minimum of effort. They don't do this because Hong Kong is very valuable to Red China as a source of foreign exchange. One of the largest banks in Hong Kong is owned and operated by the Chinese communists.

President Johnson, in his State of Union message, called for increased trade between the United States and the communist countries. In some respects, this increased trade is desirable. Hopefully, it would help the people in the communist countries find out how much better human life is in the free countries of the world. Hopefully, it would make these people want the things we have bad enough to encourage them to throw off the yoke of communism. On the other hand, trade with the communists presents great hazards to some industries, including ours.

For example, when Red China wishes dollars, she prices her textiles to get these dollars without any regard whatsoever to what it costs to make the textiles. This means that Avondale Mills is placed in a completely impossible competitive position. Along with other companies in the free world, we must price our product with some relation to what it costs to make it. To do otherwise is to invite bankruptcy. Communist China, Russia, and their satellites don't have to consider the economics in fixing their prices. They consider only the political effect of the exports and imports. Unless this trading with the enemy which President Johnson recommends is very closely regulated and supervised, the result for the economy of the United States in general and for the textile industry in particular can be disastrous.

U.S. BARGE LINES PRODUCTIVITY SOARS

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman

from Louisiana [Mr. BOGGS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BOGGS. Mr. Speaker, the Washington Star has reported that the Nation's inland barge lines have doubled their productivity in the last decade. The barge lines carry 9 percent of the intercity freight of the Nation. They have been able to reduce their rates as a result of increased productivity.

Hearings have just been completed in the Senate on a proposal to modernize section 303(b), the so-called dry bulk exemption, of the Interstate Commerce Act, so that the barge lines can continue to apply their improved technology. I have introduced the same proposal in the House as H.R. 10659.

The proposal has broad support from shipping, farm and maritime labor groups, including the Manufacturing Chemists Association, the National Industrial Traffic League, the Farm Bureau Federation, the coal industry, the Mississippi Valley Association, the Gulf Intracoastal Canal Association, the Seafarers International Union, the National Maritime Union and the Ohio Valley Improvement Association. Efficient barge transportation is vital to the continued economic development of Louisiana and the Port of New Orleans.

I would like to share the Washington Star report of the Senate hearings with my colleagues. We look forward to early action in the House.

The article follows:

U.S. BARGE LINES PRODUCTIVITY SOARS, SENATE UNIT TOLD

(By William Reddig, Jr.)

Productivity of the nation's barge lines has doubled in the last decade, a Senate Commerce subcommittee was told today.

Advances in hauling goods down the inland waterways should not be blocked by present inflexible commodity regulations said J. W. Hershey, president of American Commercial Lines and representing the Common Carrier Conference of Domestic Water Carriers.

Testifying in favor of a bill to rewrite part of the bill applying to exemptions for dry bulk cargo, Hershey said that the average towboat in 1955 produced 1,505,000 cargo ton miles per boat operating day, but by 1966 this had risen to 3,310,000 ton miles.

Meanwhile, freight rates charged by the barge lines—which carry about 9 percent of the nation's inter-city freight—dropped from an average $2.56 per ton in 1960 to $2.31 in 1966.

Hershey attributed the changes to more powerful 6,000 horsepower towboats and the ability of the industry to move 40-barge tows carrying more than 40,000 tons. He testified to the surface transportation subcommittee of the Senate Commerce Unit.

Also lauding technical breakthroughs by the barge industry was L. P. Struble, executive vice president of the Dravo Corp., of Pittsburgh, which builds barges. Struble said increases in power, automatic steering controls, use of radar and electronic depth finders along with bigger barges has brought vast changes to the ways of doing business along the 25,000 miles of navigable waterways.

With better channels and creation of canals along major rivers, operators will soon be handling 50 and 60 barge tows loaded to 12-foot depths, Struble said. The 1,700 companies now operating on the inland waters use barges with 7 and 8 foot drafts.

The barge operators working as common carriers want Congress to adopt legislation which would permit mingling of commodities, some of which are exempt from rate regulation by the Interstate Commerce Commission. A tow carrying three or fewer dry bulk commodities, such as grain, coal or sand, is exempt. If a fourth bulk or nonbulk commodity (like steel pipe or packaged sugar) is added, the entire tow becomes subject to regulation.

The exempt bulk traffic makes up 90 percent of the business. Hershey claimed that the regulated carriers can't put all of their traffic under ICC jurisdiction and still meet competition of the non-regulated barge lines. There are about 1,150 of these short-haul operators.

Opposition to the legislation, introduced by Senators Warren G. Magnuson, D-Wash., and Vance Hartke, D-Ind., is expected from the railroads, who have sought the same exemption from regulation granted the bargemen.

Hershey claimed that the railroads would not be adversely affected by the move and that they were asking for "artificial handicaps" to be placed on the water carriers.

A SEARCHING LOOK AT THE FCC

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. OTTINGER. Mr. Speaker, technological progress in the communications field has been truly startling in recent years. Serious questions are being raised with respect to the ability of the Federal Communications Commission to serve the public interest in the face of these changes.

The July issue of the Atlantic magazine features a penetrating examination of the FCC by Elizabeth Brenner Drew, one of the most perceptive, resourceful reporters on the Washington scene. I believe this article deserves wide readership and I commend it to the attention of my colleagues:

IS THE FCC DEAD?

(By Elizabeth Brenner Drew)

There are scattered about Washington a number of relics of the 1930s, including some government agencies. They stand as antiquated responses to the challenges of another era. They go about their business with thirty-year-old machinery while the space age streaks by them. In some cases this is harmless enough. But with new communications technology exploding all about, the obsolescence of the Federal Communications Commission is not to be taken lightly.

The idea was that an independent federal agency would regulate the use of the publicly owned airwaves in the public interest, and assure an economic and efficient communications system. Yet the FCC botched the development of AM and FM radio, of VHF and UHF television, of allocating radio channels for other services; and it is now spreading confusion in the new field of community antenna television. It has been immobilized over pay-TV for fourteen years. To this day, there is no coherent FCC policy on minimal performance standards for broadcasting.

Disappointing as this record is, it could be lived with, as other policy failures are tolerated, if that were all there was to it. What worries close observers is that this same agency is now confronting a new set of developments undreamed of when it was established—of nations communicating within and between each other via satellites, of communication through a laser beam, of computers taking over from telephones and wire services, of ingenious electronic methods of invading privacy, of saturation of the electromagnetic spectrum while technological breakthroughs await its use, of mergers within the industry with unforeseen consequences. The evidence is that it cannot handle the job. What the consequences will be of permitting it to continue to try is anybody's guess.

Newton Minow, who took a turn not long ago as chairman of the FCC, described it after his resignation as "a quixotic world of undefined terms, private pressures and tools unsuited to the work."

In regulating broadcasting, for instance, the Commission is to "encourage the larger and more effective use of radio in the public interest." What the Commission has made of these instructions is only one example of how the FCC chronically resolves the dilemma of nurturing the private and protecting the public interests. Over the years the majority of FCC commissioners have escaped the broadcasting conundrum by wrapping themselves in Section 326 of the Communications Act of 1934, which proscribes censorship. While it is a long way from censoring to requiring minimal quality programming, they make the trip with no difficulty.

The Commission's power over broadcasting stems from its responsibility for allocating space in the publicly owned electromagnetic spectrum. The spectrum is like a mammoth rainbow divided into "bands," or groups of frequencies, which are allocated for use by a particular type of radio service—the AM and FM bands for radio, VHF and UHF bands for television, or other bands for private uses. A company seeking to operate a radio or television broadcasting station applies to the FCC for the use of a particular frequency, or channel, during certain hours over a given radius. The applicant pays homage to the principles of serving the community by providing public affairs broadcasts and quality services; and if he is more persuasive than fellow applicants for the same channel, in exchange for a $75 to $100 fee he is granted a lucrative broadcast license.

In 1965 the television broadcasting industry had a net income of $447.9 million, nearly triple that of ten years ago; the radio broadcasting industry had a net income of $81 million, nearly double that of 1955. It has been estimated that some TV stations earn over $10 million a year. But the FCC has long agreed with the industry that to suggest measurable obligations to the public is to interfere with "free enterprise" and "freedom of speech." Edward R. Murrow once remarked: "I can find nothing in the Bill of Rights or the Communications Act which says that [networks and stations] must increase their net profits each year, lest the Republic collapse." On the other hand, the current FCC chairman, Rosel Hyde, typifies the traditional FCC stance: "The law forbids *me* from interfering with programming, even if it doesn't forbid some other commissioners." The argument goes on, even though the proponents of minimal standards have long since lost.

The Commission grants and renews licenses to use the airways for some five million transmitters—radio, television, marine, police, fire, industrial, transportation, amateur, citizens, and common carrier. Each year it processes some 800,000 license and renewal applications. The 7000-odd commercial radio and television licenses must be renewed every three years. When any station wants to increase its power or move its antenna, the FCC must consider the request. While it says

that it cannot spare the manpower to check on whether broadcasters actually perform as promised in their license applications, the Commission vigilantly tracks down shrimp fishermen who use dirty words over their radios. The 1966 annual report tells us that it "closed down 40 unlicensed broadcast operations, the latter mostly by juveniles," and investigated "over 500 cases of troublesome radiation from faulty garage door openers."

To handle all of this, plus regulating AT&T, a $35 billion industry, and the other common carriers, such as ITT and Western Union, plus facing the issues raised by new developments in the fast-changing communications industry, the Commission has a staff of 1500 and a budget of $17 million. This is slightly more than one third of the budget of the Bureau of Commercial Fisheries.

There are seven commissioners, more than on any other major regulatory agency except the Interstate Commerce Commission, each serving seven years. The commissioners are appointed by the President, who also designates the chairman, and are confirmed by the Senate.

The Commission's problems are deeper than the personalities of seven men at any given time. Partly they are the problems of any bureaucracy—of frozen-in personnel, of overproceduralized methods, of indecision. Partly they are the problems of any commission—of getting a majority in sustained agreement on complex issues, of each of the commissioners asserting prerogatives and independence, of the difficulty for the staff to proceed on any assumption of what the Commission's view is, of staff and commissioners making alliances and playing off one against the other. One staff member told me how a certain FCC commissioner is considered to be inclined to the most recent view he has heard, so various staff members vie to be the last to phone him before a Commission meeting. The turnover in Commission membership exacerbates the problem of policy continuity and even simple administration of the agency. More than one FCC commissioner has complained recently of the difficulty of securing paper clips.

Partly, the FCC's problems are those shared by all of the regulatory agencies. John Kenneth Galbraith has written that "regulatory bodies, like the people who comprise them, have a marked life cycle. In youth they are vigorous, aggressive, evangelistic, and even intolerant. Later they mellow, and in old age—after a matter of ten or fifteen years—they become, with some exceptions, either an arm of the industry they are regulating or senile." Supreme Court Justice William O. Douglas, who once headed the Securities and Exchange Commission, has suggested that every regulatory agency be abolished every ten years. Nobody loves them. For instance, the FCC occupies two dingy, labyrinthine floors in the Post Office Department, with the spillover staff lodged over a grocery store on 12th Street. While other agencies have limousines, FCC commissioners ride around in the mail-delivery station wagon; when all seven are being transported, the most junior rides in a jump seat facing out the back.

Presidents pay fitful attention to the regulatory agencies and have frequently used them as dumping grounds for burned-out politicians or difficult characters who must be given a job. Presidents Kennedy and Johnson put up admirable but incomplete resistance to this tradition. Congress insists that they are an "arm of Congress," keeps them weak through meager budgets, and frequently jumps on them when they make a move or badgers them for not moving. Early in the Kennedy Administration, regulatory agency chairmen met informally to share their sorrows; they called their group, appropriately, "The Tightrope Club."

On the whole, however, the more politically powerful is the industry to be regulated, the more likely are congressmen to frown at regulation, and there are few groups more powerful than the broadcasters. A broadcaster's friendship can mean life or death for a member of Congress; his station may treat the congressman's every utterance as newsworthy or give aid and comfort to the enemy. Nevertheless, the FCC has been all too prone to bend before the real and imagined and anticipated pressures from Congress. It tends, even more than other agencies, to confuse the demands of a few congressmen for the will of Congress. At times it retreats further than the opponents require.

For years, for example, the Commission had a vague policy that too many commercials were too many, but it never stipulated how many were too many. In 1963 it proposed to adopt as a rule the limits contained in the National Association of Broadcasters' Code: that commercials should take up no more than eighteen minutes out of an hour of radio time, and sixteen minutes out of an hour of television time. The FCC would enforce a rule to which the broadcasters in a burst of public spirit had "voluntarily" subscribed. If the NAB caught an offender, he lost his Seal of Good Practice; if the FCC caught him, he might be fined $1000 a day. Industry codes are a time-honored tactic for heading off government regulation; and although the FCC would not have been expected seriously to enforce the industry's standards, many stations did not want it even to entertain the idea of regulating commercial time. The House Interstate and Foreign Commerce Committee, then heavily weighted by congressmen inclined to industry's viewpoint, held a hearing and issued a report condemning the Commission's proposal. Shortly thereafter, the FCC formally backed off, but to underscore the point, the House voted 317 to 43 not to permit it to adopt the rule anyway.

Since the Senate did not act on the House resolution, it did not have the force of law. In light of the lopsided House vote, it would have been understandable for the Commission to drop the commercial issue for the time being. But the FCC kept marching backward. The Commission had been asking radio stations that were members of the NAB code to explain their reasons if they ran more than the code's limit of eighteen minutes of commercials in an hour. Stations that did not belong to the code were queried only if they ran more than twenty minutes. The NAB complained to the FCC that it had established a double standard, which was encouraging members to drop out of the code. In response, last fall the FCC changed its policy and asked all stations if they planned more time for commercials than permitted under the NAB code, and if so, why. However, Chairman Hyde, according to *Broadcasting* magazine, quickly reassured broadcasters that the FCC would not be inflexible. It quoted him as saying the Commission would still "stress the idea that responsibility in this matter is more properly the concern of the licensee."

Subsequently, *Broadcasting* reported that "word got around that the FCC was accepting explanations from a good many licenses who reported they were exceeding the code's limitations on commercials." In desperation, the NAB early this year eased the already generous code rules in order to be as lenient toward its members as the government agency supposedly regulating them.

There are a number of broadcasting pressure groups—the networks, FM broadcasters, "Daytimers," advertisers, and so on—which form ad hoc coalitions, depending on the issues at hand. That they do as well as they do is less a testimonial to their professionalism than to the fact that there is hardly ever anyone on the other side. Even "public-spirited" newspapers, often owned by station owners as well, may applaud calls for better programming, but when an issue such as commercials arises, they are either silent or pro-industry.

Each year, the commissioners dutifully attend the NAB's convention in Chicago (except in a presidential inaugural year, when the broadcasters go to Washington), visiting the hospitality suites and learning to understand the industry's problems. Then they return to Washington to regulate it. The key pressure on the Commission, however, works more quietly. "It works subtly, almost silently," says a former commissioner, "like the water on the stone. If you want to be reappointed, you do not want to earn the enmity of AT&T, a network, a multiple-station owner. These are really the insidious pressures. We spend too much time reading the trade press, and care too much what they say about us."

If a commissioner does not want to stick around the agency, likely as not he ends up with the industry. If one were to include law practices, it is probable that 90 percent of the commissioners who leave the FCC take jobs involving the industry.

Occasionally, as in the late fifties, there are out-and-out scandals involving the FCC, but it seldom comes to that. The industries that deal regularly with the Commission learn to be decorous. In more than one sense. Commissioners' desks are littered with little plastic gewgaws, pieces of cable, models of satellites, many of them personally inscribed. One commissioner approvingly explained to me that when he lunches at an AT&T headquarters "they never serve pâté de foie gras, or strawberries out of season."

Many an FCC staff member also has departed for the more lucrative pasture on the other side of the FCC, but as a general rule the staff is not as soft on industry as the commissioners are. Some of the highest-level staff inevitably reflect the commissioners' views, but as a general rule it is the staff which wants to act, punish, or investigate, and the Commission which demurs.

I have been assured by several longtime observers of the FCC that it now enjoys the highest-caliber set of commissioners in its history, a claim which invites a closer look at the group. (I am told on good authority that one of the commissioners was to go to the FPC, the Federal Power Commission, but ended up on the FCC through a typographical error.) Three out of the seven commissioners, including Chairman Hyde, have made a career of serving on the Commission. Robert T. Bartley, fifty-eight, a Texas Democrat and nephew of the late House Speaker Sam Rayburn, served on the staff in the 1930s, later worked for the NAB, then was appointed an FCC commissioner in 1952. Bartley opposes the growth of large communications companies, but otherwise does not believe in an active FCC. "My personal feeling is the least regulation the better," he told me. "I don't think the government should attempt to spoon-feed or lead. The regulatory agencies were brought about to correct abuses. We should wait for signs of abuses." Robert E. Lee, a fifty-five-year-old Republican, is a former accountant and FBI agent who was appointed to the Commission in 1953 through his connections with Joseph R. McCarthy. Lee's apologists point out that he has made himself quite an expert on UHF.

James J. Wadsworth, sixty-two, is a former U.S. representative to the United Nations who was appointed to the Commission in 1965. Like others, he believes that the FCC is "bogged down in trivia," and he says that his own problem is that "I don't understand the technical jargon, the communicators' language." "I hate to read a long memorandum," he told me. "Anything over two or three pages, I can't handle it."

Kenneth A. Cox, a fifty-year-old Democrat, is a former Seattle attorney who served on the staff of the Senate Commerce Committee, headed the FCC's Broadcast Bureau under Minow, and was appointed to the Com-

mission in 1963. Cox is thought to be one of the ablest and hardest-working commissioners.

Lee Loevinger, fifty-four, is perhaps the most controversial commissioner. A former law professor and Minnesota Supreme Court justice, Loevinger came from Minnesota with a reputation as a fire-breathing trustbuster to head the Justice Department's antitrust division when the Kennedy Administration took over. Whether, as some say, he was too trustbustery for the Kennedys, or, as others maintain, he was too difficult to deal with, or both, Robert Kennedy wanted him out, and he was placed on the FCC in 1963. Since then, Loevinger has turned out to be almost constantly on the side opposing new regulatory moves, and is an industry favorite for the intellectual gloss he puts on the nonregulation philosophy. His harsh, sometimes brutal, criticism of some of his colleagues and the staff has caused an even further decline in agency morale. He once called the Broadcast Bureau the "pigpen" of the FCC. He caused a stir by stating in a speech last year: "The more I see of television the more I dislike and defend it. Television is not for me but for many others who do like it, but who have no time for many things that I like. It seems to me that television is: the literature of the illiterate; the culture of the lowbrow; the wealth of the poor; the privilege of the underprivileged; the exclusive club of the excluded masses. If television is forced to admit the elite, it will lose its exclusivity for the masses. . . . Television is a golden goose that lays scrambled eggs; and it is futile and probably fatal to beat it for not laying caviar."

Nicholas Johnson, thirty-two, a former professor of administrative law, was named to the FCC last year after two stormy years of trying to breathe life into the Federal Maritime Administration, which he headed. Quickly dismayed by the FCC, Johnson busied himself trying to spread concern over the agency's lack of resources to meet what he sees as "communications crises of substantial proportions." After spelling out some of the new problems in a recent speech, Johnson characteristically reeled off a series of thoughtful questions: "The topics differ—and many more could be added—but for each similar questions spring to mind. What is the impact on our society? How can this new force most effectively be channeled to human good? Are unrestrained market forces, or some form of government regulation most appropriate? . . . What are the forces regulating the development and rate of introduction of the new technology? Are they effective in serving interests beyond private economic gain? . . . Who is asking these questions? Who answers back? What price do we pay for this placid comfort of silence in a boat none dares to rock nor cares to navigate?" Some of Johnson's colleagues dismiss him as a brash and somewhat quixotic publicity-seeker, a naïve youth who asks questions that older and wiser men have long since laid aside.

Apparently President Johnson hoped that the appointment of a spirited young man would temper the dismay among the caring public and glee among the broadcasters at his promotion four days earlier of Rosel Hyde to the chairmanship. Hyde, a sixty-seven-year-old Idaho Republican, has been with the Commission and the Federal Radio Commission which preceded it for forty years and has been a commissioner since 1946. Hyde has a reputation as a kindly conservative who believes in minimal regulation and has learned through long training in the bureaucracy not to rock the boat. Associates of the President say that Hyde was selected in the hopes that appointing a Republican chairman would negate suspicion of favorable treatment for the broadcast interests still held by the Johnson family. If this is so, the President's antenna failed him to a surprising degree. "The broadcasters," commented *Television*, a trade magazine, "have recently begun to breathe a little easier. An old friend, very much to their liking, has been placed at the head of the agency." When a commissioner, Hyde opposed FCC proposals to limit network ownership of programming, to further limit the number of stations in major markets one broadcaster could own, to police overcommercialization, and to require programming plans from license applicants. One of his first major acts was to appoint as head of the Broadcast Bureau—the section that grants and renews radio and television licenses—George Smith, a conservative Republican who had been a private communications lawyer for thirty years and then an assistant to Commissioner Lee. (Smith, who appears to be in his sixties, refused to reveal his age. He and Hyde are known among the staff as "The Dynamic Duo.") Hyde likes to focus on other than broadcasting issues and says that the problems facing the agency are "awesome indeed." "We must pioneer new policies in uncharted areas," he says. The rhetoric is fine; the results remain to be seen.

The Hyde appointment signaled the end of a sequence of troublemaking young chairmen: Minow, and his successor, E. William Henry Minow, thirty-five when he was appointed, a former law partner of Adlai Stevenson and Williard Wirtz came on strong in the fashion of the New Frontiersmen. His speech calling television a "vast wasteland" was his first before the NAB. The broadcasters retaliated. In 1960, President-elect Kennedy asked James M. Landis, a law professor and former chairman of two agencies, to make a special study of all the regulatory agencies. The FCC, reported Landis, "presents a somewhat extraordinary spectacle. . . . The Commission has drifted, vacillated and stalled in almost every major area. It seems incapable of policy planning, of disposing within a reasonable period of time the business before it, of fashioning procedures that are effective to deal with its problems." He charged the agency with excessive subservience to congressional committees and the networks. Unfortunately, however, the portion of the Landis report that drew the most attention was a proposal characterized in the press as suggesting a White House "czar" over the agencies. This, plus the new Administration's greenness in the first "hundred days," jeopardized all the regulatory agency proposals. The FCC proposal, which would have strengthened the hand of the chairman and provided for considerably more delegation to the staff, was openly opposed by a majority of Minow's fellow commissioners and gave the industry an opportunity to strike back. It was roundly defeated in Congress. (A watered-down version was later approved.) In retrospect, 1961 offered a great missed opportunity.

Regardless of his formal powers, however, and of whether he can command a majority of the commissioners' votes—as Minow with rare exception could not—an FCC chairman can have an important effect. He sets the tone, focuses the issues, appoints key staff members, attracts or drives away fresh talent, drums up public and press interest. Moreover, if it is believed that he is close to the throne, he can have considerable influence over his colleagues, all of whom are subject to reappointment during a President's eight years in office. Minow was believed to be close to President Kennedy—closer, perhaps, than he in fact was—and he was probably the first man to make the FCC glamorous. Moreover, he pushed through Congress bills to promote UHF television and give federal aid to educational television, and he steered the agency to closer examination of licensees' performance. It is also said that he shamed the networks into more public-service programming, but how much this was a result of his harassment and how much of the networks trying to climb out of the trough of the quiz scandals is problematic.

Minow departed, however, after only two years. Loevinger was appointed to the Commission in his place, and Henry was named chairman. Henry, then a thirty-four-year-old Memphis attorney with Kennedy connections, was in the Minow mold but had to begin again the making of alliances. Some of his colleagues never forgave Henry the fact that he moved in glamorous social circles, and thought it unpardonable that he appeared in a much-publicized charity show as Batman. Henry continued to fight for more educational television, for closer examination of licensees' performance, and pushed through the FCC's first full study of AT&T since the 1930s. Until then, the FCC and AT&T simply negotiated as sovereign if unequal powers. When a commissioner suggested that there ought to be a full-blown study of AT&T, AT&T officials assured him that he was quite an expert already; when commissioners asked questions, AT&T helpfully showered them with facts and figures; if commissioners, particularly the chairman, sought a rate reduction, AT&T would gladly discuss it. It was always a matter of who had the votes, the chairman or AT&T, with AT&T taking care not to inspire any noisy dissent.

Minow is particularly proud of securing a rate of $1 for the first three minutes on station-to-station calls after 9 p.m. and on Sundays. The problems with such a procedure are that it is difficult to trace where AT&T might make up for the lost revenue, and perhaps another chairman will prefer low rates on Tuesdays, or when there is a full moon. The AT&T investigation is still under way, with a grand total of eighteen staff members spending full or part time on it.

The most common explanation put forward for the Commission's chronic failure of foresight is that it is too busy with its day-to-day problems. It is therefore fair game to examine how well the Commission does what it does do. (It should be said here that in my many visits to the Commission offices I detected no signs of frenzied labor, or of long hours.) For all of its burdens, the Commission meets only one day a week, and frequently disposes of its business by lunchtime. Each Wednesday morning, the Commissioners mount the semicircle dais in their meeting room and deliberate whether Broadcaster X may move his antenna tower, or Broadcaster Y may go from 250 watts to 500 watts. A Commission meeting apparently resembles nothing so much as a Mad Tea Party, with commissioners dozing and bickering and catching at straws.

Earlier this year, for example, the Commission deliberated whether an unpopulated mountain is a "community" and somberly concluded that it was not. On another occasion the staff brought before the Commission the request of a group of Delaware educators for a small closed-circuit television system. The staff suggested that since the rules involved were so many and so complex, the Commission should waive the lot of them. John Gardner once remarked that "the last act of a dying organization is to get out a new and enlarged edition of the rule book."

While some problems before the Commission take years to resolve, it can act with surprising dispatch, as it did in the case of the merger of ABC and ITT. The proposed merger would be the largest in the history of broadcasting; the two companies have a combined revenue of over $2 billion annually. ABC and ITT applied for FCC approval of the merger on March 31, 1966. During the summer, because Commissioner Bartley was pushing for a full evidentiary hearing, the Commission scheduled a one-day meeting in which principals of the two companies would tell the commissioners why they wanted to merge. Questioning by Bartley, Cox, and Johnson extended the "hearing" into two

days, September 19 and 20. Meanwhile, Hyde had been writing to the Justice Department's Antitrust Division, asking if it saw any problems. The Division finally responded with a five-page single-spaced letter from Assistant Attorney General Donald F. Turner stating that Justice was "not presently contemplating an action under the antitrust laws" but laying out "the possibilities of adverse effects [which] are significant enough . . . that they deserve full and serious consideration by the Commission." Turner's letter arrived after 6 p.m. on December 20. The following morning the Commission approved the merger.

The principal reason given for approval was the one advanced by the applicants: that ABC needed additional revenues, which ITT could provide, to make it more competitive with the other networks. Bartley, Cox, and Johnson dissented. Bartley charged that the Commission had "rushed into an approval of the merger" without considering "fundamental questions of highest importance." Johnson said he was "simply stunned and bewildered." He pointed out that ABC was already a profitable venture, and that ITT had made no commitment of funds to ABC. He and Bartley worried about the effects on ABC's news and public-affairs programming of ITT's extensive overseas holdings, and about the economic effects on the broadcasting industry of having one major broadcaster part of a huge conglomerate corporation.

Justice petitioned the FCC to reopen the case, charging that the FCC had violated the law by holding such a brief hearing, that it had failed to examine "crucial facts." The Department later produced evidence that funds would not actually be passing from ITT to ABC, but that ITT was looking upon ABC as a source of funds—$100 million over the next five years. The FCC's own staff subsequently agreed with Justice on this key point, and the Commission reluctantly reopened the case. It declared that in the light of "the public interest in a prompt settlement of the present uncertainty, we think that expedition is required." A new decision was expected as early as June.

The Commission can also show dispatch in renewing license applications. When a broadcaster applies for a license, he makes specific pledges about the amount of time he will devote to public affairs programing and local service. It is explained that the Commission does not have the manpower to monitor stations to see if in fact these pledges are carried out, but that his program practices will be closely examined when he files for his triennial license renewal. Minow and Henry instituted a renewal application form designed to draw more information about actual programing practices, but this information appears to be of little moment to the Commission. Earlier this year, Cox and Johnson dissented from the routine renewal of a group of 206 licenses when the applications showed that 2 proposed no news programing whatsoever, 7 proposed no public-affairs programing, 23 proposed less than one percent of their time to be devoted to public affairs, and 88 proposed no other type of public-service programing. "It seems to me," said Cox, the stations "are downgrading their commitments . . . because they feel the majority of the Commission won't do anything about it." Cox charged that the Commission was making "a farce of the whole reporting and reviewing process."

Theoretically, the Commission sought to reduce its agenda by developing a set of standards for licensees and permitting the Broadcast Bureau itself to grant and renew licenses if they meet those standards. "Frankly," conceded one commissioner, "I couldn't tell you what the standards are now. The staff sort of figures out our current policy from what we did in the last two months." Though there is a great deal of talk about delegating, the Commission is too suspicious of the staff and the staff is too perplexed about Commission policy for it to happen much. One of the penalties of all this is a serious backlog of contested applications, and for the wrong reasons. There are some cases of competing applications for licenses, or appeals from a Commission decision, which have been before the Commission for ten or twenty years.

Minow believes that the station-by-station license and renewal procedure, conceived in the days before networks, amounts to swatting gnats. Henry came to believe that it would make more sense to establish minimal requirements and then give licenses away by lottery. The broadcasters, typically confusing a privilege with a right, say that station licenses ought to be granted permanently, subject to revocation for cause. It is possible that they suggest this in knowledge of the Commission's record of revoking licenses: 1 in 1961, 5 in 1962, 4 or 1963, 4 in 1964, 0 in 1965, and 2 in 1966. The record of renewals refused is not much more extensive: 16 in the last 5 years. Hyde's solution is to renew licenses for five- instead of three-year periods ("with maturity goes responsibility").

When Congress in 1962 created the hybrid Communications Satellite Corporation—part owned by the common carriers, most AT&T, and part a public corporation—to operate an international satellite, it left a number of issues unresolved. Should Comsat compete with the common carriers, or should it be a common carriers' carrier? The Commission chose the latter course, thus guarding against severe competition for the carriers. Who should operate the lucrative ground stations, Comsat, the carriers, or someone else? The Commission "temporarily" permitted Comsat to operate the first ones and told Comsat and the carriers to get together and carve up the rest. This is an odd way to proceed on such an important matter, but by thus splitting the baby, nobody got too hurt. Except perhaps the baby, but it is too early for the layman to know that.

Also left unresolved by Congress was the enormously important and complex question of who is to operate a domestic satellite system, or systems, and for what purposes. What kind of domestic system, or systems, should there be, available for what kinds of uses, by whom, and how competitive? Should the common carriers continue to be protected from the competition of new technology? Who will benefit—or will anyone—from the costs saved by communicating by satellite? Technically, some of the issues are before the Commission in the form of the Ford Foundation's proposal for a satellite system for television, with the money saved when the commercial networks switch from conventional to satellite communication to be turned over to public television. Comsat, now an aggressive creature itself, countered by urging the FCC to permit it to operate a general-purpose domestic system, arguing that that is what Congress intended, that technology is ready and time is wasting. (Whether technology *is* ready is debated by the experts.) The satellite issues are so fundamental, the competing interests so great—the networks, AT&T, which earns $50 million a year from carrying television signals, the nation's largest foundation, Comsat—and the stakes are so large that it is possible that Congress and the White House will make the decisions. (The separate issue of public television raised by the Ford and Carnegie Foundations is already before Congress.) That might be just as well. I asked Chairman Hyde how many FCC employees were studying the issues raised by Ford. "Only one full-time person," he replied.

The Commerce Department, ordinarily not a very melodramatic place, completed a study not long ago of what it called the "silent crisis"—the shortage of spectrum space—and recommended a special group with an initial budget of $11 million, eventually $50 million, to handle the problem. The FCC, in a major leap forward, will devote $300,000 to research on spectrum allocation this year. The questions involved are complicated and important: what are the relative social, economic, even political implications of allocating more or less space to the various users—from doctors' beepers to police cars to television stations to communications satellites? Should traditional users, such as oil companies and ham radio operators, be displaced in favor of new technologies such as pocket telephones? The popularity of a children's walkie-talkie toy last Christmas caused something of a crisis for the FCC. What should be done about this? Or is it perhaps time to rearrange the allocations among private spectrum users? The FCC still proceeds, according to a system established some twenty years ago, to grant a certain band across the country to each type of private user, although the need for the forestry band is minimal in New York City, and there is even less demand for the taxicab band in the Gulf of Mexico.

Is cable television, which reduces the use of spectrum space, something that ought to be encouraged on those grounds, regardless of the discomfort to establish television interests? Does it suggest methods of bringing other services, such as facsimile, data, or shopping, into the home? What does it mean that within five years about half of all information transmitted will be between computers, and how can the competing interests between, say AT&T and IBM, be resolved, preferably with the public getting its share of the benefits? The FCC has begun a study of the computer issue, but no special staff has been assigned to it.

Chairman Hyde explains that the acute staff shortage is ameliorated by the fact that "we get a lot of valuable help from various industry groups." Hyde said that the industry groups give information and advice, and that a representative of the FCC sits in their meetings to prevent collusion. But collusion is not the only danger, nor is it likely to be eradicated by the FCC representative. Many government agencies set up business advisory committees as a way of getting advice and keeping peace; but there can be a problem when a limited staff is dependent upon the industry to the point where the industry can dominate the agency's policies. Presumably Congress did not set up regulatory agencies with the intent of having the agencies turn to the industry to inquire how it should be regulated.

There is thus a great deal of evidence that it is time to redefine and re-evaluate the FCC's mission. It is time to dust off "the public interest" and re-examine where it comes in. It is not all that new to suggest that the FCC should be revised. The law journals are full of suggestions for changing the FCC, and the literature is a nitpicker's delight. Most of it is in terms of establishing more clear-cut procedures on behalf of the applicants. But the FCC's problems are beyond nitpicking, and of importance to more than the clients. A thorough re-evaluation would suggest a number of new combinations, ranging from tinkering with the existing institution, to transferring some of its functions elsewhere, to starting afresh. There are some basic principles on which thoughtful critics agree: somewhere there must be an agency with sufficient funds for research, in house or contracted out, that can keep the government abreast of communications developments. There must be sophisticated analysis of the interrelated communications issues which are now approached in a haphazard *ad hoc* manner.

It is all too easy to call for a reorganization of an agency which does not seem to be coping, for reorganization for its own sake means next to nothing without a redefinition of purpose and without sufficient resources in both staff and funds to carry it out. Yet there have been many worthy suggestions for structural changes: almost all observers

of the FCC feel that seven commissioners is at least two too many (Henry thinks it is four too many, and Minow concluded it was six too many); no one disputes that the machinery must be streamlined. But none of this will matter unless the FCC, or whatever agency emerges, is invested with the mission and prestige which the issues before it demand, and which in turn will attract, and hold, good men. It would be naïve to suggest that such an agency could operate, or its leaders could be chosen, without regard to the political context, but it is not too much to ask that it be more independent of it.

One close observer has suggested that the issues are so important that the agency should be as prestigious as a U.S. Court of Appeals, and the appointments to it taken as seriously. Perhaps commissioners should serve for longer terms. Certainly the agency might be less composed of men who use it as a sinecure or springboard. The FCC cannot be expected to work a self-transformation. That leaves Congress and the White House, and this sort of reform is not likely to start in Congress.

ROSTOW-STATE DEPARTMENT PANAMA CANAL POLICIES PERILOUS

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FLOOD. Mr. Speaker, on repeated occasions during my addresses on Isthmian Canal policy questions, I have stated that the President, in whose name the proposed surrender at Panama has been advanced, cannot possibly know the highly complicated interoceanic canal subject and has been the victim of some very bad advice, chiefly from the State Department. Who all these advisers have been, and now are, I do not know but I do know their key ideas as voiced in Presidential statements that have been embodied in recently concluded treaties with Panama soon to be sent to the Senate for ratification.

On June 21, following the Near Eastern-Suez Canal crisis, I wrote the President emphasizing that the proposed surrender at Panama is a matter of the gravest consequence and urging him not to permit it. Though the resulting exchange of letters is not confidential in character, it does reveal the attitude of responsible officials in connection with the proposed treaties and thus should be of interest to all Members of Congress.

During the last few weeks I have received many thoughtful letters about the Panama Canal Treaty situation from various parts of the Nation, including some from members of the Armed Forces on the isthmus. These men know the situation there from direct observation and do not get their knowledge second hand from text books or "official" reports. It is, indeed, refreshing to read them and to compare their realistic appraisals with the naive statements of one of the President's principal advisers. Because of the possibility of reprisals against the Armed Forces writers on the isthmus, I shall not reveal their names or otherwise identify them.

The indicated exchange of letters with the White House and major excerpts from one of these Armed Forces letter-writers follow:

JUNE 21, 1967.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In view of the grave crisis presented by present day dominance of the Suez Canal by President Nasser of the United Arab Republic, I venture to urge you to review the policies of our Government now proposed for the Canal Zone and Panama Canal. The surrenders contemplated for the Panama Canal enterprise will unquestionably render our Nation powerless to prevent Soviet domination of it and will seriously impair our capacity to defend the United States and other nations of the Western Hemisphere.

Certainly, this is not the time nor the Canal Zone the place for surrenders that will further augment Soviet power in the Western World and that will greatly weaken our own capability to resist the cruel and merciless advance of communist aggressions everywhere. Permit me to quote what was stated by one of our most patriotic and clear-visioned Presidents, Theodore Roosevelt, in the *Kansas City Star* of December 2, 1918, following the 1917 Bolshevik Revolution in Russia when internationalization of the Panama Canal was one of the points advocated by the Reds. Roosevelt's words were:

"The Panama Canal must not be internationalized. It is our canal; we built it; we fortified it; and we will protect it, and we will not permit our enemies to use it in war. In time of peace, all nations shall use it alike but in time of war our interest at once becomes dominant." (H. Doc. No. 474, 89th Congress, p. 388).

History shows that Free World submissions and surrenders can never match or overcome the cold, ambitious, cruel, and relentless aggressions of communist power.

In these connections, Mr. President, I am sure that you must be deeply concerned because of the explosion by Red China on June 17, 1967, of its first hydrogen bomb. The government of that country may soon be prepared to come to the conference table with North Viet Nam, each armed with deadly nuclear bombs to be used as powerful arguments and threats.

In the meantime, Soviet policy will be directed toward escalating the war in Viet Nam and the suspended war in Korea to include Red China—wars that will be mutually destructive of those nations and our own with the Soviet standing to profit vastly throughout the Western Hemisphere, Africa, and the Far, Middle and Near Easts. Surely Mr. President, this is not the time for our officials to play Russian roulette, a game that is fatally tragic.

The liquidation of the Canal Zone and Panama Canal now being considered in high echelons of our Government are matters of the gravest consequence. In view of the recent dangerous developments, I would respectfully, but most earnestly, urge that you do not permit such liquidation but maintain our undiluted sovereignty. The posture of the world so requires.

As I particularly desire that you receive this letter, to this end, I shall be grateful for an acknowledgment.

With warm personal regards and best wishes, I remain,

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

THE WHITE HOUSE,
Washington, D.C., June 28, 1967.

HON. DANIEL J. FLOOD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: Thank you for your recent letter to the President regarding the Panama Canal. Your recommendations will have the careful attention of the President and his advisers.

Sincerely,

BAREFOOT SANDERS,
Legislative Counsel to the President.

THE WHITE HOUSE,
Washington, D.C., July 11, 1967.

HON. DANIEL J. FLOOD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FLOOD: The President has asked me to reply to your letter of June 21 concerning the recently concluded Panama Canal negotiations.

I understand your desire that the security interests of the United States with respect to the Canal be fully protected. This has been uppermost in the mind of our negotiating team. They have conducted the talks in the closest consultation with the Departments of State and Defense. Another way of protecting these security interests is by timely recognition that changing circumstances make it wise and prudent to negotiate new arrangements for operating and maintaining the Canal. In announcing the decision to begin talks with the Panamanians in December, 1964, the President noted: "The strength of our American system is that we have always tried to understand and meet the needs of the future."

When the texts of the treaties are released in the near future, you will see the careful balance worked out between the new realities of our relations with Panama and the safeguarding of our vital interests in the Canal.

Sincerely yours,

W. W. ROSTOW.

JULY 17, 1967.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I have read the reply of Presidential Assistant W. W. Rostow of July 11, 1967, to my letter of June 21 regarding the proposed Panama Canal Treaties, of which he is credited with being a principal architect.

I am very much disappointed at the nature of his reply and its failure to answer the questions raised by me. This, however, permit me to say, is characteristic of the policies pursued by the treaty makers throughout the period of the negotiations, both in Panama and the United States.

Mr. Rostow, in his letter, defends the proposed new treaties because of alleged charges induced by time. Yes, Mr. President, there have been vast changes in circumstances during the past few years and they are dangerous changes for the worse. Because anti-Free World policies of communism are more perilous than ever before there is greater need now for continuation of our complete sovereignty and power with respect to the great waterway; and this is best for Panama as well as for the United States.

With the Suez Canal out of commission because of the blundering, stupidity, and bias of the Egyptian Government, that great waterway is, for all practical purpose, under Soviet control and will be used against the Free World as the Soviets may dictate. The Panama Canal faces a like danger because of recent policies culminating in the negotiation of the proposed treaties. To the extent that our power and authority may be diluted on the Isthmus the efficiency and protection of the great Hemispheric agency will be impaired, with Panama and the United States as the first to suffer. This is not the time to scuttle our workable treaty for the Panama Canal.

In brief, Mr. President, and with all due respect, I must indicate my judgment that Mr. Rostow's letter is altogether evasive and unresponsive.

With assurances of esteem, I am,

Sincerely yours,

DANIEL J. FLOOD.

JULY 10, 1967.

DEAR REPRESENTATIVE FLOOD: Lately I have been reading in the local English language newspapers here in Panama certain articles concerning statements you have made on the floor of the House concerning the new treaty with Panama over the canal. I want you to know that I feel the same as you do, that to give Panama one inch of Zone territory or one brick of one building in the Zone, would be the height of stupidity. * * *

I have been stationed here in Panama with the Armed Forces for eighteen months now. * * * During the past year and a half I have been able to observe things that many of the so called authorities from the United States have not observed. It is my opinion that if the United States wants the Panama Canal to be run at the whim of about ten to twelve families, then it should give the Canal to Panama. As you probably know, Panama is run by a small group of families all interrelated to one another. To give the Canal to Panama would only place in the control of these few rather ruthless people the most strategic waterway in our hemisphere, if not the world. * * * I wish for once that the United States would stop all this talk about doing what is in the best interest of this country and that country, and do what is in the best interest for its own people. With the present crisis in Southeast Asia, we need the Canal to insure quick transit of the goods necessary to carry out our war effort. To even talk of giving up this Canal at the present time is absurd. * * *

From what I have been able to surmise from what rumors are going around about the treaty's provisions, it appears that the United States is planning to desert its citizens down here. It seems impossible to imagine the beautiful Canal Zone being taken over by Panama. Panama can't even collect its own garbage, and now it wants to take the Zone also. We hear all this talk that the people of Panama desire the United States to get out. You know as well as I do that that is lot of bull. The only people in Panama that want the United States out of here are the communists and the small group of wealthy people. * * * These people will take over the shops in the Zone and make huge profits for themselves. The average Panamanian will never see one dollar from the many millions that will go to Panama. As it stands now, the Zone is the only place where a Panamanian can go to get a decent job at decent wages. The average wage in Panama is about forty cents an hour. A quart of milk costs thirty cents. In the Zone, the wage is about $1.20 an hour and a quart of milk costs about twenty five cents. It is the small group of oligarchs headed by Foreign Minister Eleta and the Arias family that are telling the people of Panama what they want. These people are also telling the United States what the average Panamanian wants too. Again I can only hope that United States Senate votes down this treaty. I know that there will be trouble here if it does, but we must put our foot down so to speak, and now is the time.

Thank you very much for your time. I hope that you and Mrs. Sullivan and your dedicated fellow congressmen that know what a stupid thing this new treaty is, will be able to prevail in your fight.

Thank you again.

RIOTS MUST BE CURBED

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ASHLEY. Mr. Speaker, the Nation must respond to the increasing tempo of violence and racial disorder which continue to erupt in our cities.

Lawlessness must be met by such force as is necessary to restore and preserve order. Our citizenry have a right to be secure in person and property and immediate steps must be taken to assure their protection.

We can no longer regard what has taken place as a series of isolated local disturbances. In the first 6 months of this year some 26 cities in every part of the country have fallen victim to arson, wanton destruction, looting, stoning, sniping, killing. We are confronted with a crisis which is national in scope. It must be met by local, State, and Federal action.

Where needed, Federal assistance must be available to adequately staff and equip local law enforcement agencies. Training must be upgraded and new techniques developed to deal promptly and more effectively with acts of crime.

These are urgent requirements, Mr. Speaker, but our responsibility goes further. We must come to grips with the shameful conditions in our American cities which will continue to be a tinderbox until they are radically improved. Frustration and hopelessness are the parents of crime and we must deal with them as effectively as we deal with criminals if we are ever to enjoy a peaceful society.

There are those among us who take the view that the use of force to put down violence is all that is needed. I submit that an orderly society can never be achieved in this country by police action. It can be achieved only when we find a way to eliminate the resentments and hostilities which make police action necessary.

Mr. Speaker, I am today joining a number of colleagues in introducing a resolution for the establishment of a select committee to investigate the causes of rioting in our metropolitan areas. I hope these resolutions will be acted upon promptly and that the investigation will help us chart the kind of comprehensive approach which I believe we must undertake if the crisis of our cities is to be met in a meaningful fashion.

LEGISLATION TO PROVIDE PROTECTION FOR THE AMERICAN ALLIGATOR

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FASCELL. Mr. Speaker, it is a source of great pride to me, to have within my district a natural resource which is recognized around the world for its uniqueness and for the pleasure which it provides. The tiny key deer which are found in the Florida Keys, and whose protection I have worked for, would serve as sufficient basis, I am sure, for congressional pride such as I mentioned. This diminutive native however, is only an introduction to the resource delights of southern Florida. Nearby is the Everglades National Park, often described as the subtropical jewel of the national park system.

Man's efforts to make productive much of the area surrounding the park through construction of drainage and flood control facilities have created some problems with regard to water supply in recent years, and these problems have been accentuated by severe aberrations of climate. I am sure my colleagues are acquainted with the feast or famine nature of rainfall at the park which has received nationwide publicity. The calamitous effect of these factors on the wildlife of the park evoked a massive reaction on the part of people across the country. These people expressed their heartfelt desire that something be done to insure survival of the Everglades. We may hope for a permanent solution to the problem in the report which is now being prepared by the Corps of Engineers.

One of the most renowned residents of the Glades is the American alligator, Alligator mississippiensis, as he is known scientifically. The alligator, however, is unfortunately faced with possible extinction. Its numbers have severely declined because of the recent droughts. In addition, the alligator faces another and growing threat. Poachers are invading the presumed sanctuaries of Federal and State parks and wildlife refuges to slaughter the reptiles in order to obtain the valuable hides.

The State of Florida endeavored to insure the continued existence of the alligators by closing the legal hunting season on them in 1961. Continued high-fashion demands for alligator skins for bags, belts and shoes have, however, produced a lucrative opportunity for illegal poachers who are slaughtering the reptiles. A pair of operators can clear as much as a thousand dollars in a night as a result of their poaching activities.

Doubtless many of the thousands of Americans who took time to write expressing their concern over the water situation in the Everglades would be equally infuriated if they knew of these revolting hide-hunting forays. Because the operators work so stealthily, however, the general public knows little of the problem. I am sure that there are some who feel a genuine concern for the need to protect the biological wonders of the park who are unwittingly supporting the poachers by buying alligator skin products. A vast educational campaign would lead many persons to reject these products on the market.

Much the same situation prevailed late in the last century when fashion dictated the use of vast quantities of plumage from beautiful native birds. The market hunters massacred untold numbers of these birds to supply the fashion centers. So severe was the national reaction, that the Lacey Act was passed granting Federal control over interstate shipment of wildlife.

I wish to introduce for appropriate ref-

erence a bill to amend the United States Code so as to prohibit the transportation and shipment in interstate and foreign commerce of alligators and alligator hides taken in violation of Federal or State laws.

I would like to thank my colleague from Pennsylvania, Congressman JOHN SAYLOR, ranking Republican member of the House Interior and Insular Affairs Committee, for joining me in sponsorship of this bill. As we all know, Congressman SAYLOR is one of the Nation's foremost conservationists, the father of the Wilderness Preservation Act and coauthor of the Land and Water Conservation Act. He is a truly knowledgeable and distinguished champion of national resources conservation, and his support is greatly appreciated.

An identical bill was introduced in the other body on February 1, 1967, by my esteemed friend and colleague, Senator GEORGE SMATHERS. He remarked at the time:

As was done 100 years ago with the American bison and again when egrets were being slaughtered by the thousands for their plumage, indiscriminate and greedy hunters are destroying a rare form of wildlife without regard to the preservation of the species.

This, I believe, clearly delineates a serious conservation problem which State action has been unable to eliminate. Thus the matter of preserving a natural resource which, if protected, provides the people of the nation an enrichment of the variety of the living world about us, comes to this body for resolution.

This body, which has gained a reputation in the last and preceding Congress as the "conservation Congress," has before it once again a number of items designed to further the ends of resource protection and conservation. All my colleagues are aware that some of these proposals carry large price tags, which, in light of general heavy budgetary demands, must be fully and carefully considered.

The bill which I am introducing today to protect an endangered species of native wildlife thus presents a unique opportunity. By prompt and judicious action on the measure we may make a significant contribution to the structure of conservation law without imposing any strains on an already heavily laden budget.

Mr. Speaker, I want to read three short articles which will graphically document to my colleagues the need for the protection which this bill would afford an endangered American species:

The alligator, the Big Boss of the swamp, is in trouble.

Dame Fashion, the same callous wench who dealt America's wading birds a savage blow fifty years ago just for feathers for milady's hats, is now pushing alligator shoes and handbags. The rural hardcases have shut up the whisky stills and now they spend their nights in the swamps, coming home richer by two to five hundred dollars for one night's work. They are killing the gators faster than they can reproduce and in defiance of the law.

Well, why worry? Who cares about a ferocious monster who, when he isn't busy killing off all the fish and the birds, is lurking near a boat just waiting for some luckless fisherman to fall overboard?

Don't answer that until you hear what the wildlife biologists have recently learned; what the old-time swampers and glades runners have always known. The Big Boss is a sissy. He can clamp those choppers on a snapping turtle and the shellback is instant turtleburger, and he can whip that tail around and bat a raccoon across the pond for a field goal, but he's afraid of anything bigger than these. The slightest commotion near his sunning spot and he drops into the water to hide.

Attack is the farthest thing from his mind—but don't mess around with an alligator nest or young, because momma gator will defend her offspring. Any lurid tale you hear of attack by a bloodthirsty gator has as its foundation something as stupid as this.

As for competing with man for the wildlife harvest, just read the old accounts of the sportsman's paradise the southland used to be. Back then, they really had the gators, too; it's a matter of record that two men killed 10,000 gators in one month. This was probably some sort of a record, but teams of gator hunters could and did skin several thousand in a year, regularly. The hunting and fishing hasn't ever been so good again.

Does this sound as if there might be a connection between gators and other wildlife, that maybe the more you have of one the more you have of the other? Well, here's a fact to ponder. The gators were killed out of the canals along the Tamiami Trail in South Florida because they were interfering with the fishing. What happened next was that the rough fish, the gars and the mudfish, had a population explosion that crowded out the bass and the bream. So the conservation people had to use fish shockers to clean out the rough fish.

That's one instance, in one small area, but it's not the only place the same thing happened. And that's not the only story, either; there's a much bigger one, and the Big Boss is the hero of that one, too.

The water level in Florida's Everglades isn't at all stable. In dry years, when the agricultural interests manage to grab off the water that used to flow through the glades to Florida Bay, the glades become a parched land. There are few natural depressions in this vast flatness, and the creatures of the wild die under a burning sun.

Or they would, if it weren't for the gators. These ugly reptiles have been working out survival techniques since the dinosaur days, and by now they're pretty crafty.

Before the drought gets really bad, they find a spot in the glades where the mud is deep. They dig and they churn, bringing up the mud and letting the water carry it away, until they have a pit that may contain only a few gallons, or it may hold tons. The important thing is that in these gator holes and in the very few sloughs that don't go dry, and only in them, can the fish, turtles, frogs, and other aquatic creatures survive, while the bodies of their less fortunate brethren parch on the baking mud. Only here can the deer, the raccoon, and the rabbit find water to drink, and the otters and herons find fish on which to feed. The Big Boss isn't all heart, he's a large part appetite; he lays a tax on the users of his pool, but there are always enough survivors to repopulate the glades after the spring rains.

But now, it's handbag time on the boulevards. Chinese crocodile and Cuban gator hides are now off the American market, and the price tag on our domestic gator has gone up to $5 a foot in Louisiana.

It has been illegal to kill an alligator in Florida since 1961, but in that time gator hunting in the Sunshine State has become a thriving, bloody, and outlaw business. The poachers cruise through the sloughs at night, the man in the bow spotting the reflection of the gator's eyes in the beam of a headband torch and then puts a .22 slug right between them. Or they ride along the levees, shooting from the car. Some use an airboat, which is a scow with an airplane propellor that can ride the grassland after a heavy dew. There are even gunshy poachers, who dazzle the gator with their lights, then bash his skull in with a hammer. They invade private land, public parks, wildlife refuges, even gator farms and tourist attractions.

Why doesn't the law step in? Where is the game warden? Well, he's around, probably following a fake lead fifty miles away, every step he takes being watched by a poacher with a walkie-talkie to advise the rest of the gang of his whereabouts. The territory is so huge, and the wardens so few, and the money so good that some poaching is inevitable.

Some poachers do get caught, but unless the conservation man can prove that he caught them in the act or with undisputable evidence, and unless he can present his case exactly in conformance with rules that are weighted against him, the judge will throw the whole thing out of court. Some cases are so obvious that the judge simply has to find the poachers guilty, in which case they risk a lecture before they are released on bond, or fined $25 which is a small price to pay to be released to continue their operations.

When a man can make up to $500 in one night, a $25 fine isn't something to lose sleep over. The judge holds an elective office, the poacher is usually a local man with lots of voting kinfolk, and the lawman is almost bound to be one of those strangers with a badge and a college education.

But you can't sell a gator hide in Florida. At least not legally. So here's where the shady businessman steps in. The black-market buyer for the operation picks up the skins from the poachers, pays in hard, cold, tax-free dollars, and the skins go across the state lines into Georgia or Louisiana.

And to it goes. The game warden gets disgusted and quits; the tax man, and all us taxpayers, get cheated; the hunter and the fishermen wonder where the game has gone; and the gator starts down the road after the passenger pigeon and the dodo bird.

It doesn't have to be that last walk down the one-way road for the Big Boss. We brought back the buffalo, the antelope, and the plume birds. They were worth the saving, and the right people did the right things to get the job done. Now the same sort of action is needed for one of the ugliest, laziest, and most misunderstood reptiles on the face of the earth—the American alligator, the boss of swamp and glade, and the best and most effective conservationist in the southland.

THE TROUBLED ALLIGATOR

(By George Laycock)

We watched the yellow light blink softly. "That's a working light," the game warden said. He meant that a poacher was out there searching the surface of the lake for the ruby eyes of an alligator. The light made one low swing against the distant shore and flicked off.

Shortly we were in the air boat skimming across the lake. The roarding of the 125 hp airplane engine drowned out all the night sounds. When we reached the middle of the lake the light appeared again, this time holding steady. There was not the slightest chance that we would be eluded.

The other boat drifted to a stop in the middle of the lake. As we came in beside it, our two strong electric beams splashed over its occupants. "Frog hunting," they explained. There were no signs of firearms or dead alligators—or frogs.

Two of the five men in the boat were known to the wardens; they had previously been arrested for alligator poaching. This time, however, there was no evidence. All the wardens could hope to accomplish was to discourage them for the rest of the night—and give a few of Florida's most famous wild creatures a little longer to live.

A drama similar to this one is repeated

night after night across those sections of the South where alligators still hold on against mounting human pressure. Florida game wardens now spend fully a third of their time protecting alligators. The problem is equally bad in Louisiana, where biologists are convinced that their alligators would already be greatly depleted if it had not been for the state and Federal refuges. "We expect that prices for alligator hides will go up to $10 a foot," one of these biologists recently told me. As the supply dwindles the demand grows, and so do the prices. This is one of the reasons why *Alligator mississipiensis* now enjoys the dubious honor of having his name on the official list of endangered American wildlife. They have dwindled in Florida to the point where hunting them is illegal at all times.

One would think, to look at an alligator, that the creature could take care of himself. And a big one can, if people will leave him alone. In the early years of his life he may be caught and eaten by raccoon, otter, bass, heron, anhinga, wild hog, gar, and a host of fellow predators. But if he can escape these hazards long enough to live past the 3-foot length, he enters a new age of social security. The big alligator needs fear virtually no predator except man. His size, temper, armored hide, muscular development, and rows of meat-grinding teeth are proof against most dangers.

Down his back the alligator wears rows of horny scutes, or plates, which are his form-fitted armor. His viselike jaws clamp shut and hold his victims with a grip that cannot be broken. Even a large animal such as a hog, cow, or deer may be drowned by a big alligator. The reptile then gets a grip on his victim's leg, folds his own legs in close to his body, and begins revolving on his axis until he tears his food apart.

When hunting, the alligator floats with only the top of his back and his eyes and nostrils above the surface. He seems as lifeless as a water-soaked log. But if he can drift within striking distance of a victim, the surface of the pond erupts. His battering-ram tail whips around as his head turns on its stubby neck, and his body forms a semicircle. With his tail, the alligator knocks the stunned victim within reach of his jaws. He usually rises to the surface to eat, flips his head to one side and catches the food head first. Bigger items may be ground between his powerful teeth until reduced to bite size.

Alligators are well-equipped for underwater action. Valves keep water out of their ears and nostrils, and the back of the tongue forms a valve to keep them from swallowing water when they open their mouth to capture food.

These large reptiles are not much good at traveling overland. Their short legs and rather small webbed feet will carry them limited distances at moderate speeds. In the water, however, it is another story. Here the magnificent tail comes into action. If an alligator wants to move fast through the buoyant water, he folds his legs back against his body. Then, whipping his tail from side to side, he rockets through the water like a self-propelled torpedo. He can turn and twist with bursts of speed that enable him to overtake many kinds of aquatic creatures.

One of the secrets of the alligators' long success on earth—they have been here 40 million years—is their ability to catch and consume such a wide variety of foods. What an alligator eats depends upon which of his natural foods is most abundant. These include turtles, garfish, coot, frogs, snakes, muskrat, swamp rabbit, and sometimes even smaller alligators.

Dogs seem to hold a special attraction for them. A Florida poacher once explained to me a sure-fire technique of finding alligators. "Take a hound dog out in the boat with you," he said. "Then hurt him until he starts yapping and them gators start sticking their heads up all over."

In spite of the fact that, by human standards, alligators are ugly creatures with unattractive eating habits, there is much concern about their welfare. They are interesting members of the native American fauna, and besides, they have great practical value. In Florida they are high-ranking tourist attractions. In Louisiana, where alligators' hides are said to be the finest of all, there is a firm belief that they can still be managed as an economic resource.

A century ago there were probably three million of these creatures living across the southeastern part of the country, but prejudiced people killed them for no particular reason, and swamps were drained, reducing the size of their domain. Worst of all, they were taken in growing numbers for their hides. In a century the alligator's numbers were reduced from millions to remnant populations largely centered on refuge areas. In Florida the biggest concentrations are in such places as Loxahatchee National Wildlife Refuge and the Everglades National Park. State and National wildlife refuges harbor the bulk of Louisiana's population. Okefenokee National Wildlife Refuge in southeastern Georgia has an estimated 5,000.

As their numbers dwindled the maximum size of alligators also seemed to shrink. Old records, probably reliable, tell of alligators more than 19 feet long. Florida's biggest known alligator today is in Ross Allen's collection at Silver Springs. This giant reptile, known affectionately as "Big George," measures 15 feet from tip to tip. Today there may not be a wild one anywhere longer than 14 feet. The reason may be simply that although alligators continue to grow throughout their lives, few of them today live long enough to reach the maximum lengths of the old-timers.

What is the difference between an alligator and a crocodile? Most of the visible difference is in the head. Looking down on the heads of the two creatures, you will notice that the snout of the crocodile is thinner and more pointed, and his teeth are more prominent when the mouth is closed. He is more vicious than the alligator. Alligators, in fact, are justifiably frightened of people. There are few, if any, genuine instances of their attacks on humans. A female alligator guarding her nest, however, is not to be trusted.

In Florida, businessmen have installed alligators in roadside enclosures. Here tourists may stare at them to their heart's content, and in some places they may purchase marshmallows to feed the alligators and amuse themselves. There is something ludicrous about a 12-foot alligator snapping up a little white marshmallow. All the flexing of muscles and bone that goes into the consumption of a large wild prey is expended on the tidbit. One cannot help feeling that in addition to killing off most of the alligators, we have corrupted those that remain.

In 1959, biologists in Louisiana decided to investigate the little known facts of life among alligators. How much traveling did alligators do? How long did they live, and did they really grow as slowly as they were said to? All of these questions were important ones if alligators were to be managed for hide production.

Acquiring the answers called for time and some sloppy wrestling matches out in the swamps. The specialists worked out a method of marking the creatures by clipping toes, notching scales, and attaching metal tags.

Alligators, however, are shy, elusive, and uncooperative. They could not care less about having their toes clipped or tags attached to their scaly hides. Those caught and marked measured up to 8 feet in length, and there was always the possibility of an alligator injuring one of the workmen or turning the boat over. To safeguard against such occurrences, one worker would grab the snout of an alligator, sometimes with his hands and sometimes with a snare, while his assistant secured the lashing tail. Then the struggling reptile was dragged into the boat and dropped into a large burlap bag. Once marked he was released again into the swamp.

More recently the biologists have imbedded miniature radio transmitters in large balls of hair and forced their research subjects to swallow them. Alligators are known to retain hair balls in their stomachs for long periods of time, and so the instruments were sure to stay in place for a while. As the radio-equipped alligator travels around his territory, biologists with receivers monitor the beeps from his transmitter.

It has long been said that alligators grow slowly and that the big ones are ancient animals. From recapturing tagged ones, it became known that the young, which are about 8 inches long at the time of hatching, average 22 inches at the age of 1. By their second birthday they are 3 feet long, and by the time they are in their fifth year they average 5½ feet and have reached breeding size.

After the fifth year their rate of growth slows down. But what interested the Louisiana people especially was the speed with which alligators reach a length of 5 feet, where their hides are of high commercial value. Partly as a result of this, Louisiana began transplanting alligators back into parishes where they had been killed off. The aim is to maintain a healthy population that can contribute a hide crop without further endangering the species. For the last three years Louisiana has had a completely closed season on alligators.

The wild alligator's year is divided into two parts. In the warm summer months he lives abundantly. During the cold winter months he lies buried in the mud at the bottom of a pond or secluded at the back of a cave beneath a river bank or the edge of an island. For months he goes without food, and according to recent studies in Louisiana, he apparently survives for extended periods without coming up for air.

In March or April the waters warm up and alligators come out and start to feed. The breeding season comes in May and June. Mating is proclaimed throughout the swamps, because the bull alligator is not a quiet lover. He has no vocal cords, but he gets his messages across by inhaling deeply and then, like a giant bellows, emitting a series of booming roars that can sometimes be heard for miles. His spring bellowing probable serves two purposes: it attracts the females and warns other males out of his territory. As he roars, a heavy musk oozes from two glands beneath his chin and perfumes his territory.

The time for mating is something best determined by alligators. Recently Louisiana research biologists put a male alligator in a female's pen in what they presumed was the mating season. The female, far from being appreciative, killed her smaller intended mate. A few nights later, however, another alligator came in from the nearby swamps and climbed up and over the 6-foot wire fence to join the female. He stayed for several days, but apparently at the pleasure of the hostess, because one night she drove him back out of the pen the way he had entered—up and over the fence.

Alligators usually mate in the water, and a male may have several females in his territory. This, however, is the limit of his family responsibilities, duties of raising the young fall fully upon the female. She may, in fact, have to protect them eventually from their own father.

The female builds her nest by piling up a mound of mud and vegetation. She works out a depression in the top. There, in a single visit, she drops from twenty-five to seventy eggs, depending on her size. Then she covers the eggs with several inches of moist chopped plant materials and mud. Within a few days the process of decay begins to warm up the nest. The temperature rises to between 75

and 78 degrees and stays there regardless of outside temperatures.

The female usually guards her nest. She knows when the newly hatched alligators are ready to leave because they tell her. As they chip their way out of the hard-shelled white eggs they set up a grunting noise. The female removes the topping from her nest and waddles off to the water's edge, where she waits for the young to follow. They scramble down the side of the nest and rush toward the water. They stay with her through that year, and sometimes into the following year.

If no wild creature catches them before they are 3 feet long their chances of survival improve. But there is always that other predator—the most deadly one to all—the man who kills illegally with his bullets and his axe.

DID OLD JOE DIE IN VAIN?

For years an alligator named Old Joe had thrived in the crystalline waters of Florida's Wakulla Springs, which, since 1962, has been a National Audubon Society wildlife sanctuary under lease from the Wakulla Edgewater Company. Old Joe was a great favorite of visitors at Wakulla Lodge near Tallahassee and was perhaps the most photographed gator in the country. Herpetologists estimated the 11-foot patriach's age at two centuries.

On the night of July 31st Old Joe was slain by a malicious, unknown killer who invaded the sanctuary and shot the alligator in the head. His lifeless hulk was found the following morning at the bottom of the Wakulla River.

With funds promptly pledged by a Florida conservationist, the National Audubon Society offered a $5,000 reward for information leading to the arrest and conviction of the killer. Any person having information about the crime was asked to contact agents of the Florida Game and Fresh Water Fish Commission at Tallahassee. Killing *any* alligator is against Florida law. Moreover, Wakulla Springs is an official state wildlife refuge as well as an Audbon sanctuary. The killer has not been apprehended, and the reward stands.

As columnist John Pennekamp observed in *The Miami Herald*, the senseless death of Old Joe may at last spark enough public outrage to halt the poaching that threatens the alligator's very survival throughout its greatly reduced range in the Southeastern states.

Our conviction that a federal law must be passed to choke off the existing large-scale interstate traffic in alligator hides has only been strengthened. The 1900 law known as the Lacey Act prohibits interstate commerce in any wild bird or mammal that is caught, killed or possessed in violation of state law. A bill amending this act to extend protection to reptiles and amphibians was introduced in the last session of Congress by Rep. T. A. Thompson of Louisiana, who died tragically shortly thereafter in an automobile accident.

With no sponsor, the bill foundered in the House Judiciary Committee. It must be reintroduced and passed in the next Congress.

THE ANARCHY MUST END

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROSENTHAL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, the tragedy of these riots which are sweeping the country for the fourth summer lies not alone in the deaths which have occurred, or in the senseless destruction which has taken place, but, unfortunately, in the long-range effects on the important issues of civil rights, education, housing, and other public programs geared to provide social and economic assistance to our citizens and to help in the orderly and prosperous development of our cities.

The Long Island Press of July 25 contained an excellent editorial on the current situation, entitled "The Anarchy Must End," and I am taking the liberty of inserting it in the CONGRESSIONAL RECORD at this point. I commend it to the attention of my colleagues, and all those who have an opportunity of reading this RECORD:

THE ANARCHY MUST END

The most immediate task before America at this moment is to bring back law and order where anarchy and arson have taken hold. There can be no temporizing in this matter.

So long as madness continues to erupt anywhere and everywhere throughout the nation, there can be no security for anyone of any color. The fact that whites as well as Negroes looted in Detroit underlines the basic falacy in color lines. Depravity is not simply a matter of black and white. And bringing quiet to the streets and putting out fires will not get at the causes underlying the madness. Putting out a fire may be imperative, but it will no more solve our vast social ills than did starting the fire in the first place.

It's easy—too easy—to blame the Black Powerists. They may provide the sparks, but the kindling must be there to catch fire. The Negro extremists are nothing new; they are simply the latest version of the extremists of all colors who down through history have deluded themselves into thinking violence and terror is the only way to serve their particular causes.

The wind was sown in slavery and the last 100 years of false freedom. We are now reaping the whirlwind. It's a force without logic. There is no more reason behind the manifestoes of the Black Powerists than there is in the madness of the rioting mobs.

"How dumb can they get," a reporter quoted a Negro in Detroit who was cursing the looting mobs. "Where are we going to get our food tomorrow, where are all these people going to work . . . I feel like crying."

This man, as Roy Wilkins wrote in The Sunday Press, was "caught in between," as are "millions of Negro Americans who hate rioting as much as they hate injustice."

The vast number of all Mr. Inbetweens—black and white—lost in the whirlwind brings comfort only to those who desire the destruction of a democratic America. These include the black and white racist extremists who see the world as divided between good and bad, each casting the other as the prototype of evil. Joining this chorus are the Moscow propagandists, with Tass talking about "cruel measures" by the American police. The Russians, still living with the legacy of their own simplistic notions of revolutionary terror, cast white America as the bad guys and black America as the good guys, as if affluence makes all the affluent evil and poverty makes all the poor good.

Yet the ultimate—the only—hope for America rests with the Mr. Inbetweens—black and white—who must go out after the whirlwind has passed and laboriously, piece by piece, renew building what their more impatient brothers so contemptuously would destroy. America's grievous social ills cannot be cured by bullets, no matter from whose guns, but only through understanding—mutual, and self-respect.

RETURNING SOLDIER CRITICAL OF M-16 RIFLE

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. PEPPER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. PEPPER. Mr. Speaker, I know all of my colleagues share my desire for as much information as possible on the problems we face in Vietnam and the conduct of the war there. I believe they will be interested in an article by Frank Roderus, which appeared in the Lakeland Ledger in my State, reporting on his interview with Pfc. Albert Johnson, who has just returned after a year in Vietnam.

I have requested permission to insert in the RECORD this article, which includes sharp criticism of the M-16 rifle's effectiveness under Vietnamese battle conditions:

OUR GUNS LET US DOWN IN BATTLE

(By Frank Roderus)

A Polk County soldier has come home from Vietnam with two wounds, a Bronze Star, a Purple Heart and engrossing accounts of:

Tough North Vietnamese regulars.

Red Chinese volunteer troops trained and equipped "as well as our own soldiers."

American weapons that won't fire.

And "allies" who sometimes shoot American GI's in the back.

In Vietnam for a year, Pfc. Albert Johnson came home at 1 a.m. Thursday to a happy, whooping reunion with his parents and his 10 sisters and 5 brothers at the parents' home in the K-ville community near Auburndale.

"It was just a big dream that I'd ever get back," he said. "I didn't realize that I was 'back' until I hit Tampa last night and saw my brothers."

Johnson shipped over to Vietnam as one of a group of 21 dog handlers from Fort Benning, Ga. The handlers work alone with their dogs as the "point" men in infantry advances during dense jungle fighting. They are the first to make contact with the enemy.

Johnson was among nine of the 21 who returned this week. The others were either killed or severely wounded.

During his year in Vietnam the K-ville soldier was on 175 combat missions and 243 ambush missions.

"Usually the operations would only last a month or so," Johnson said as he relaxed at home. "I guess the longest we were ever out was for three months in the Mekong Delta. I lived alone in a Viet Cong hut. Just me and my dog."

Other troops of the 25th Division were quartered nearby, though, he explained.

Johnson trained his German shepherd, Ramo, himself before going to Vietnam. Ramo was taught to turn on anyone other than Johnson once night fell.

"I really hated to leave him over there. He saved my life—I don't know how many times," Johnson said.

"When he'd smell the Viet Cong he would stop and stand still, looking straight at the enemy," the soldier recalled.

Then Johnson would message the patrol leader about the VC. The patrol would form into a battle line, and helicopter gunships would be called to blast the enemy position.

"The gunships carry great big lights, and when they turned those things on, it was just like daylight. We could cut down on them."

Sometimes, though, Johnson said, the

jungle was so dense that helicopters could not come close enough to lift out the wounded and the dead.

"A lot of guys died because we couldn't get them out," he said.

His own wounds, he explained, were not serious. Once he stepped on a "pungi" stick and another time was hit in the foot by shrapnel.

Supplies on the jungle missions were "seldom" a problem, Johnson said, although once he and some other troops were pinned down in the jungle for 27 hours without food or water.

"You aren't wanting to eat anyway," he said. "You just want to get out of there."

The young veteran said that one of the biggest problems facing GI's in Vietnam are their own weapons.

"If they (M–16 rifles) get the least bit dirty, they won't function," he said.

"I know of guys who have refused to go out with an M–16."

Johnson said that at one time he and six others were pinned down in a depression. The other men had M–16 rifles, while he was carrying one of the lighter M–15 carbines.

"After a few minutes I was the only one capable of returning their fire," he said. The M–16s had all jammed.

The old M–14 rifles are better, he said, but they are heavy. As a dog handler, Johnson carried the submachine gun-like M–15. He swears by it. But few of the troops have them.

The enemy, he said, are carrying weapons at least as good as ours. They have Russian and Chinese weapons and many of them carry American equipment.

"I know they capture some of it in fire fights—but not that much. I don't know where it's all coming from."

Johnson said that many times the Americans have found brand new M–16s and M–16 magazines on dead North Vietnamese. Even the Viet Cong, the South Vietnamese irregulars, are well armed now, he said. And the Red Chinese are always well armed and well trained.

"A lot of times we've killed Red Chinese fighting with them (the Viet Cong). I know people don't believe that, but it's true."

"They're really getting together now," Johnson said of the enemy.

"Charlie plans his moves. He knows where your operation is going to be and what your support is. He learns all this some way.

"He used to just go into a battle. Now he plans everything."

Johnson said that travel in Vietnam, at least where he was based near the Cambodian border, is fairly safe in daytime, but that Charlie owns the country at night.

At night, he said, the civilians and many of the ARVN allies become Viet Cong.

"I know of one outfit that went out at night with seven ARVN to set up an ambush. The ARVN had notified the Viet Cong, they were Viet Cong themselves, and the VC set up an ambush. Nearly all of the Americans got killed.

"One of the survivors told me later that he saw a couple of ARVN shooting our guys in the back during the fight, trying to kill them all."

The best Vietnamese fighters working with Americans are the rehabilitated Viet Cong, Johnson said.

Otherwise, he said, "you can't tell who you are with."

"They are really scared people over there," he said.

"You just can't fight everyone, though—unless you go into the jungles where you know there's all Viet Cong. Then you destroy everything in sight."

All in all, Johnson said, he thinks the war in Vietnam is probably worth the effort, although he thinks there must be a better way of doing things. "After all, you've got to stop communism somewhere."

"We did a lot of good in the last year," he said, "but it shouldn't have taken us a year to do it."

SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. TUCK] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. TUCK. Mr. Speaker, by an act and mandate of the Congress—the Internal Security Act of 1950—a board was established to be known as the Subversive Activities Control Board, composed of five members to be appointed by the President, by and with the advice of the Senate. Exercising the duties imposed upon him by that act, the President appointed Mr. Simon F. McHugh to fill a vacancy on the Board. Last week this appointment was duly approved by the Senate, and Mr. McHugh was sworn in as a member of the Board.

I have not personally had the opportunity—nor do I have the particular responsibility—to examine into the qualifications of Mr. McHugh. The responsibility for passing upon this appointment is imposed by statute upon the Senate. I assume that they have performed their duties with regard to the appointment.

The Subversive Activities Control Board is a body established to fulfill a specific function with regard to the provisions of title I of the Internal Security Act. This title is cited as the Subversive Activities Control Act of 1950. The principal purpose of that act is to establish a system of registration of Communist organizations and members of Communist-action organizations as defined in the act, so as to provide the people of the United States with a reliable public register of organizations controlled by foreign Communist governments and those individuals working actively on their behalf, whose basic aim is to destroy democratic representative government. This public register is based on the results of full due-process, judicial hearings. It is the function of the Board to make the determinations as to the character of, and membership in, Communist organizations. Also, important consequences flow from these determinations both with regard to employment of members of Communist organizations in government and in defense facilities.

The Internal Security Act of 1950 was the product of many years of intensive hearings and study conducted by the Committee on Un-American Activities and its predecessors. In 1961, its basic provisions were upheld in a landmark decision of the Supreme Court, whose opinion was delivered by the late, distinguished Mr. Justice Frankfurter.

The registration and disclosure provisions of the statute are designed to draw the Communists from the underground into the light of day, so that our people may better judge and evaluate their activities, as Justice Frankfurter said, "against the revealed background of their character, nature, and connections." The provisions of the statute are designed to promote and preserve the integrity of free speech and therefore to serve to strengthen democratic processes. It is interesting to note that not one of the Justices, excepting Justice Black, expressed the view that first amendment rights were in any way violated by the registration provisions, although the dissenters raised certain fifth amendment objections which were, by the Court, at that time held not to be in issue and consequently not decided.

Until 1965 the Board was able to perform its work well and effectively. It carried a heavy workload. Subsequently, certain questions, unanswered in the 1961 Communist Party cases, were raised for decision with regard to the powers of the Board. I refer particularly to the Albertson and Proctor cases, decided by the Supreme Court in 1965, holding invalid requirements for self-registration of individual members of Communist-action organizations; and the Communist Party case, decided in 1967 by the U.S. Court of Appeals for the District of Columbia Circuit, holding unenforceable the penalty provisions for failure of Communist organizations to register. These decisions have forced a certain amount of inactivity on the Board.

While these cases were before the courts, it was, we believe, not feasible to introduce corrective legislation. Now that we have clear pronouncements upon the issues we are prepared to restore the Board to full activity. We have legislation now pending for that purpose. There is before the House three identical bills, H.R. 10390, H.R. 10391, and H.R. 10681, sponsored by 51 Members of the House. They will put the Board back in business. These bills remedy deficiencies pointed out in the latest decisions of the Court. They also add new provisions which will strengthen the working of the Board and make it a truly effective instrument. The Committee on Un-American Activities will hold hearings on these bills in the near future. I assure the Members of Congress, and those who may be interested, that when corrective legislation is adopted as proposed by the bills, in which I and others on both sides of the aisle have joined, there will be no cause for alarm that the Board will not earn its pay.

THE YEAR OF THE RAT

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RESNICK] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. RESNICK. Mr. Speaker, I do not know how often you have to repeat something before you can get your point across—but with the Republicans, we might do well to start using a recorded announcement. Nothing else seems to work.

On Monday, Mr. Speaker, our Republican friends decided to make some polit-

ical hay out of the tragic situation in Detroit by trying to lay the blame for the riots there at the doorstep of the President of the United States.

As far as I am concerned, this was a new low in Republican irresponsibility.

And I had thought, Mr. Speaker, that your own statement of Monday evening would settle the issue once and for all.

You said:

> Those who today speak piously of anarchy in the streets have not hesitated to strike down some of the most progressive laws aimed at these problems.

I assumed that once the Republicans were reminded of how vulnerable they are in this area—of how they have voted to kill every enlightened piece of social legislation that has come before this body—of how they have turned their backs on the legitimate aspirations of every single slum dweller in the Nation—they would have ceased their partisan sniping.

But, somehow, Mr. Speaker, they did not seem to get the word. Even when our distinguished majority leader yesterday repeated the Republican record of indifference, they did not respond. Even when he accused them of "seeking to squeeze a few votes out of the miseries and disorders of America's cities," the Republicans continued to act like petulant schoolchildren.

In the face of their own record of inaction and obstructionism, they refused to agree that the grievances of our slum dwellers are real.

In the face of President Johnson's record as the greatest civil rights President since Abraham Lincoln, they implied that he was somehow personally responsible for the riots.

In the face of President Johnson's swift response to Governor Romney's call for Federal troops, the Republicans accused the President of not acting fast enough or firm enough.

It is incredible that the gentleman from Iowa should charge the President of the United States with political expediency in his response to the riots.

It is incredible that the gentleman from Iowa should accuse the President of having an attitude that "crime does pay."

It is incredible that on the day after President Johnson appealed to the Nation to help restore law and order in Detroit and in other cities across the Nation, this same gentleman from Iowa was still urging the President to address the Nation.

Where was the gentleman from Iowa on Monday night last?

I would remind this House that this same gentleman from Iowa who now attacks our President, is the same man who a few days ago quipped and joked and helped defeat the Rat Extermination Act of 1967, which he called "ludicrous."

I would remind my colleagues that the gentleman from Iowa is the same man we find, day in and day out, attacking other Federal programs such as those which promote artistic and literary creation through the National Foundation on the Arts and Humanities.

The gentleman from Iowa is against foreign aid, on principle. He does not really care about its purpose.

He opposes every program which would broaden the horizons of the American citizen, give him a better place to live, increase his job opportunities for the future, and generally make him a stronger part of American society.

But I think the Members and the people have come to accept anything he says on this floor with a grain of salt.

We have become accustomed to his ridiculing every program of value.

We have become used to his making jokes about rat control programs for the cities. Are there no rats in the country?

We have become jaded by his barbs and attacks against the President of the United States.

Really, no one is listening to him anymore.

But, the American people are listening to the President of the United States.

They are also watching the incredibly obtuse and blockheaded record being compiled by most Republicans in this House—against, against, against every good, forward-looking program that comes to the floor.

In the land of the blind, the one-eyed man is king, so goes the parable.

I ask my colleagues to open at least one eye. Let a little light come into your mind on these riots and on the President's progressive urban reform program. And let us vote our hearts and our consciences, not our prejudices and our provincialisms.

RIOTING

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. WILLIS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. WILLIS. Mr. Speaker, there is not a Member of this body, Democrat or Republican—and no matter what his general political leaning—who does not believe that something must be done to bring an end, once and for all, to the type of rioting which is now racking our country and which, unfortunately, has occurred all too frequently in recent years. Certainly everything possible should be done to find out the causes of these riots because only if those causes—all of them—are known with certainty can effective steps be taken to end this deplorable looting, burning, violence, and killing.

It has been proposed that an investigation be undertaken to determine the causes of the rioting. This is a sound suggestion. I welcome it. An effort should be made to determine to just what extent all possible factors—poverty, unemployment, slum living and other conditions—may have caused or affected the rioting. Only if we know all the factors involved can we come up with a complete answer to the problem.

The point I want to stress, however, is that we cannot ignore, and should not ignore, subversive influences if they exist.

We must face the fact that this violence has not only hurt our Nation internally but that it has done immeasurable damage to the image of the United States in all parts of the world; that it has greatly aided our enemies. The American public has a right to know whether organizations and individuals who are opposed to our way of life and form of government, and who are trying to undermine and destroy this Nation, have had a hand in the rioting.

The riots and this possibility have concerned me for a considerable length of time. I would like to remind my colleagues in this body that early last October, because of my concern and on the basis of certain information in my possession. I directed the staff of the Committee on Un-American Activities to undertake a preliminary inquiry to determine whether these acts of mass violence had been planned and instigated by subversive elements, and to what extent, "if any," and I repeat, if any, such elements had succeeded in broadening and prolonging them after they had broken out.

I also appointed our colleague, the gentleman from Virginia and former distinguished Governor of that State, to oversee the general conduct of the preliminary inquiry and, early in this Congress, appointed our colleague from South Carolina to assist the gentleman from Virginia [Mr. TUCK] in this.

The inquiry has been underway since that time. It has involved extensive research on the part of the committee staff and also detailed, difficult and far-reaching investigative effort.

An interim report on the status of this preliminary inquiry was made by the staff to the gentleman from Virginia [Mr. TUCK] and the gentleman from South Carolina [Mr. WATSON] in the latter part of January and I have generally been kept informed of information developed. The overall report on this preliminary inquiry is now being prepared and it is expected that it will be submitted to the full committee next week.

It would be premature and inappropriate for me to reveal at this time anything specific about the contents of this report. However, while I do not now say that subversive elements have instigated all or most of these riots or that they are primarily or solely responsible for them, I believe that the information developed to date will justify public hearings. I am convinced that this information should be made part of a public record for the information of the Congress and the people of this country.

The report of the preliminary inquiry will, of course, have to be considered by the full committee. I have no intention of trying to bind the committee members in advance on the action they will take after considering that report and I cannot predict with certainty what their action will be. I feel, however, that they will share my views on the matter.

I make these remarks, Mr. Speaker, because I believe that with the consideration that is now being given to the riot problem, and because of certain proposals which have been made, the House should be informed of the facts I have outlined.

ADDRESS OF CONGRESSMAN JOHN BRADEMAS, OF INDIANA, COMMENCEMENT EXERCISES, CARDOZO HIGH SCHOOL, WASHINGTON, D.C., JUNE 13, 1967

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. COHELAN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. COHELAN. Mr. Speaker, in my 6 years of service on the House District Committee I became familiar with the many serious problems which the schools of the District of Columbia face. As Members of Congress we all are repeatedly reminded, both by our deliberations within the Congress and by school officials in our own constituencies, of the demands made upon our educational facilities today. All too frequently, however, these same needs within our capital city do not get sufficient attention.

I was greatly heartened, therefore, to note the remarks made by our distinguished colleague, Congressman JOHN BRADEMAS of Indiana, before the graduating class of Cardozo High School here in Washington last month.

JOHN BRADEMAS was graduated magna cum laude from Harvard University and was himself a Rhodes scholar. A former college educator himself, he is now serving with distinction on the House Education and Labor Committee and giving talented leadership to our efforts on education legislation. It is altogether fitting that this gifted man should give his attention and offer his inspiration to the graduates of the Cardozo High School class of 1967.

The recommendations which JOHN BRADEMAS makes concerning the interrelationship of the community and the schools, the vital need to improve vocational opportunities, and the obligations of universities to the Federal City—all are recommendations to which we, as Members of Congress, should give careful attention. Mr. Speaker, I commend this speech to my colleagues:

ADDRESS OF CONGRESSMAN JOHN BRADEMAS, OF INDIANA, COMMENCEMENT EXERCISES, CARDOZO HIGH SCHOOL, WASHINGTON, D.C., JUNE 13, 1967

Faculty, friends, members of the class of 1967—I am pleased and honored to be with you at the commencement exercises of Cardozo High School.

I know that as you sit here on this warm evening you are hoping that the speeches will be brief. Or perhaps, in the words of two of this week's top songs on the Soul Survey, you're afraid that you'll be "Hypnotized" or maybe even "Turn to Stone" by the end of a long commencement address. In fact, you may even be saying to yourselves, in the words of two other songs on the Soul Survey, "Ooh, Baby", "Here We Go Again"! Well, let me hasten to assure you that my speech "Ain't No Mountain"—at least in length!

Now that your English teachers have probably given up in gloom, perhaps even "Seven Rooms of Gloom", let me say a few words about less melodious but somewhat more serious matters.

I want to share with you, your teachers, your parents—indeed with everyone concerned with our schools and our cities—a few reflections on education and the city, particularly on education in Washington, D.C.

And I want to speak particularly to the class of 1967 about some of the special responsibilities which you and other members of your generation—many of whom are also receiving their diplomas this week in schools just across the Potomac and all over the country—must now face.

EDUCATION AND THE CITY

As a Member of Congress and of the House Education and Labor Committee for the past nine years, I can testify that we on Capitol Hill have for too long ignored both the problems and the potential of the city of Washington. Indeed, it is only in the past few years that we have begun to pay close attention to education in the big cities of America and to this city of some 800,000 people in which you and I live and in which we all work.

But this failure is ours in Congress and not yours, for you are graduating today from a school system which has a history both of solid accomplishments and of overburdening problems.

Did you know, for example, that Thomas Jefferson, the third President of the United States, was the first President of Washington's Board of Education and that he served in that capacity at the same time that he was President of the whole country? Did you know that a little later, Washington's school system served as a model for the entire nation when in 1864 it adopted a compulsory school attendance law earlier than any of the states, except Massachusetts?

CARDOZO HIGH—A PIONEER

And you have maintained this pioneering tradition right here in you own high school. The Teacher Intern Program which began in Cardozo provided the model for the National Teacher Corps, which we are considering this week in the committee of which I am a member. I hope that both the Cardozo Intern Program and the Teacher Corps will continue to provide dedicated young people with the opportunity to teach in city schools in Washington and elsewhere.

The Model School System, of which Cardozo is the focal point, has become a symbol of our nation's efforts to improve education of the young people in our inner cities. Each of you can be proud to have been a part of this experiment. There are many persons concerned with education, including me, who wish the Model School System would move faster and further in upgrading education in Washintgon. But at the same time, I recognize that problems which are the result of years of neglect will not be turned back in a few weeks or months or even years. But, as President Kennedy suggested, "Let us begin."

So let us look at the record which Cardozo High School has achieved, for it is of national significance.

Among last year's Cardozo graduates, 37% have gone on to continue their education beyond high school.

Of this number, 31% are enrolled in four-year liberal arts colleges.

At the other end of the spectrum, only 3% of last year's Cardozo graduating class are out of school and out of work. This figure is substantially below the national average.

These facts and figures are good evidence that our efforts—your efforts—to improve the schools in the heart of our cities have borne fruit and that, given sufficient time, dedication and, I had better add, money, we can meet the challenge of preparing young people—inner city or suburban, black or white, poor or well-to-do—for full participation in American life.

EDUCATION IN WASHINGTON

The record of Cardozo High School, therefore, is essentially a success story, but the success should not be allowed to conceal the very serious educational needs which are still unmet in the District of Columbia.

For we cannot be complacent about a school system in which many students must go to school crowded into markeshift classrooms.

We cannot be complacent when part-time classes—which were eliminated in the District this past year—are again a serious possibility for next year.

We cannot be complacent about a school system which sends its students into buildings of which many should long ago have been torn down and replaced. It is a matter of national shame that schools in our nation's capital have leaky roofs, cracked blackboards and warped floors—that many of the classrooms in our capital city are overcrowded, while others go partially empty.

THREE RECOMMENDATIONS

I could spend the rest of my time talking about these problems alone, but I want to focus on three specific areas of particular concern to you and me, and, indeed, to us all.

1. the relation of the community to the schools;
2. the need to improve vocational opportunities; and
3. the role of the universities.

Two recent events underline my belief that our schools must become more responsive to the communities they serve: the first is the introduction by President Johnson of the plan to reorganize the District government. The second is the recent petition by the judges of the District of Columbia that they be relieved of their duty to appoint school board members.

SCHOOL AND COMMUNITY

Both of these developments underline the need to make both government in the District and the D.C. schools more responsive to the will of the community. In particular, the schools themselves must become community centers, both responding to the needs of those they serve and broadening the horizons of the people, young and old alike, who benefit from what our schools can offer.

Senator Robert Kennedy pinpointed the issue sharply when he spoke at the Model School Division Community Meeting here at Cardozo and said: "Community involvement, to be candid, is harder to bring about where, as in the District, the absence of self-government means an absence of political accountability. Your efforts as parents will tend to be ineffective unless the school administration, more or less voluntarily, decides to seek your advice and participation. Our school officials therefore have a special responsibility. Let us hope they meet it."

VOCATIONAL EDUCATION

A second area of specific concern is the need to improve and update vocational education opportunities in the District. I cite here the June 1966 report of the House Education and Labor Committee which concluded that: "Criticism has been made that the techniques and training given in vocational education courses in senior high schools and in courses of the vocational education high schools are not closely related to the needs of the labor market."

What this all means is that too many youngsters are receiving vocational training for jobs that either are not available or which will not exist in the near future. Modern technology, the needs of business, increasing automation and the special needs of government all demand a more up-to-date and sophisticated approach to vocational training than the more traditional vocational courses have provided. For many students, the new job opportunities require special remedial work in English, math, and other technical subjects.

DISTRICT OF COLUMBIA A MODEL VOCATIONAL CENTER

You and I know that the Federal government is the principal employer in the Dis-

trict of Columbia. In many ways the government is a model of the large organizations which will provide employment for the technically trained in coming years. I believe that, in cooperation with the Federal government, the District of Columbia should take concrete steps toward planning and operating a model vocational center to train young men and women in the computer and other related skills upon which modern government, business and industry will increasingly rely. This model center should be equipped with the latest and best equipment and staffed with the best available teachers, in order to serve as an example for the development of modern vocational training in other parts of the nation.

ROLE OF THE UNIVERSITIES

The third area of particular concern to me is the role of the universities of greater Washington in improving the quality of education offered in the schools.

As we all know, more and more Americans are living in cities and we are increasingly affected by the many problems of urban life. To a growing degree, therefore, we are turning to our institutions of higher education, especially the urban colleges and university, for assistance in understanding, planning and managing the impersonal forces at play in the city. In no area is the potential for a contribution to the life of the city greater than in the field of education. Only last night I talked at the Baltimore Junior College about the role of two-year colleges in meeting urban problems.

As an example, I note the new cooperative venture between Antioch College of Ohio and the Adams-Morgan Community Council under which the Board of Education of the District of Columbia has authorized Antioch and the Adams-Morgan Council to run an elementary school which will be especially keyed to the needs of the local community.

I think it is revealing that this effort, the first of which I am aware in Washington, is being conducted by a college in Ohio instead of one of the major universities in Washington.

I am glad to note, however, that Trinity College, Howard University, and once again, Antioch College will soon participate in an intern program with the D.C. schools under which academic credit will be given for work in local classrooms and communities. Should not other colleges and universities in greater Washington consider taking part in similar efforts, some involving the schools, others involving such fields as social work, psychology, urban planning and others?

The universities in and near Washington have developed outstanding reputations in international studies and other disciplines which cause them to look outward from the city toward foreign countries. Is it not now time that they look inward toward the American city which nurtures and sustains them? Is it not time for these colleges and universities to turn the talents of their faculties and students to some of the pressing domestic problems which are so clearly written across the surface of the city of which they are a part?

FEDERAL CITY UNIVERSITY

And let me suggest to those who are working to establish a Federal City University here that they think about a university not only new in buildings and staff, but new in its commitment to helping solve some of the nettlesome problems of the capital city. If such a university were established, active service and participation in the life of the city could bring unique opportunities, not only for attacking the problems of the nation's capital, but for bringing new insights and knowledge into the classrooms and the lives of its students.

RESPONSIBILITIES OF GRADUATES

I have spoken at length, perhaps too long, about the problems and promises of education in Washington. Before closing, I want to say just a few words about special responsibilities which you and the other members of your generation will face.

Although I graduated from Central High School in South Bend, Indiana, 22 years ago, I have particular sympathy for the class of 1967. For I, too, graduated in a time of national testing. We were then involved in the trials of the Second World War even as our country is now engaged in a complex and burdensome conflict in Vietnam.

But tonight I am less concerned with the world beyond our borders than with the pressing problems we face here at home.

PROBLEMS OF DISCRIMINATION

Most thoughtful Americans know that racial discrimination is the most important problem we face here at home.

West Roxbury, Plattsville and Tampa are the dramatic reminders of the moment, but the problems run far deeper than the sporadic violence in the cities which has sadly come to characterize our summers.

The problems stem chiefly from the deep dissatisfaction of large parts of our Negro population with the pace of our national drive toward social advancement and equality of opportunity for people of all races and kinds.

Paradoxically, our present domestic difficulties stem in part from the successes we have achieved in eliminating inequality at home during the past few years.

PROGRESS BEING MADE

In the civil rights movement, both whites and Negroes have joined in Selma, in Montgomery, here in Washington—all over the nation—to declare that a century of denial of Negro rights must come to an end. As a result of this activity much has been accomplished to make real for all Americans the promise of our Declaration of Independence and the Constitution. The laws of the land have been changed. More Negro Americans than ever before are assured the right to vote and exercise it.

Schools all over the country are gradually being opened to students of all races although not without strong resistance in many places.

Only today President Johnson appointed the distinguished Solicitor General of the United States, Thurgood Marshall, to the U.S. Supreme Court, the first Negro to sit on the nation's highest tribunal.

And only yesterday the Court itself struck down as unconstitutional 16 state laws which punished marriage between people of different races.

But we all know that much remains to be done, and the sometimes slow pace of change must be particularly frustrating to those who face in their own daily lives the burdens of discrimination.

I suggest to you that it will take the efforts of both white and black Americans to assure the success of this struggle for equality of opportunity for all Americans.

I know that we have come to a moment in the civil rights struggle in which stiffening opposition has led many Negroes to conclude that only separate action by Negroes alone can bring about genuine equality of opportunity.

Some call this black power. But even Martin Luther King, Stokely Carmichael, Roy Wilkins, Floyd McKissick and Whitney Young cannot agree on a definition of black power—not to mention Marion Barry!

So I certainly won't try to define it.

But I can say this. Many white Americans are dedicated to working long and hard for equal opportunity for all Americans.

It is for many not only a responsibility imposed upon us by our common citizenship in a free land, but a conviction stemming from our religious beliefs.

And in that struggle to make life better and freer for all Americans, you must play your role.

For this country is not so rich or so wealthy or so productive or so intelligent that we can afford to do without the contributions of every citizen—whatever his race or name.

Therefore, I say to you, as you prepare to leave Cardozo High School to go on to further education, or to your chosen job or career, do not forget the words of John F. Kennedy to another group of high school students seven years ago.

"Take advantage of every possible opportunity to increase your knowledge of the world in which you live, and of the ideas which have contributed to the development of our civilization as it now exists. For you will soon be discovering that you can take a direct hand in many ways in shaping and influencing the sort of world we live in."

AGAIN, GUN REGISTRATION AIDS CONFISCATION

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. DINGELL. Mr. Speaker, the following is an excellent editorial from the Plaid and Khaki publication of July 1967 regarding gun registration.

The editorial shows how in New York and at times in New Jersey, firearms confiscation does occur under registration. It brings up the issue of firearms confiscation in Greece which accompanied a general suspension of civil rights.

This editorial makes an important point that should be kept in mind in the consideration of restrictive firearms legislation.

The editorial follows:

AGAIN, GUN REGISTRATION AIDS CONFISCATION

For decades, U.S. gun owners have been politely saying that gun registration leads to firearms confiscation. Yet the anti-gun element has remained strangely unimpressed, although booted troopers seized private firearms as one of the first moves in Mussolini's Italy, Hitler's Germany, the Nazi occupation of Europe, and Communist take-overs after World War II. Intense animosity toward guns has even blinded some sincere supporters of constitutional rights to the fact that law-abiding Americans have a right to own and use guns.

Anti-gun spokesmen assert that registration of guns is just like registration of cars, so why should anyone object? As events prove, the two are far different. One big difference is that gun registration can lead to confiscation. In New York City when the owner of a car and registered pistol dies, police respect his estate's property rights in the car but often confiscate the pistol because there is no longer a permit holder for it. This imposes an unfair financial loss on the heirs. So firearms confiscation not only *can happen* here under registration—it *does happen* in New York City and at times in New Jersey. While we do not foresee any blanket seizure of private firearms, a gnawing-away by confiscation is conceivable.

Confiscation of the private guns of a whole nation occurred recently with scarcely a ripple of notice or comment in the U.S. press. Greek army leaders who unseated the civilian government with the aid of old American-made Sherman tanks promptly, according to The Associated Press, issued military orders for the army "to search private homes" and

"requiring all hunting rifles, shotguns and ammunition to be turned in to the nearest police station; canceling all hunting licenses and forbidding all hunting."

Firearms registration furthered the gun seizure, which was part of a general suspension of civil rights. Without reference to the internal affairs of Greece, a classically courageous nation with an unquenchable fire to survive, the NRA feels that the episode shows how registration lends itself to confiscation. This is also of interest to the estimated 50,000,000 American gun owners because the Congress and State Legislatures have been urged to enact laws which, in effect, could gradually lead to nationwide firearms registration in the United States.

Happily, the new Greek Government has pledged itself to restore civil rights. It has already done so in some respects. Firearms restrictions were relaxed last month to authorize a resumption of hunting.

We sincerely hope that Greece will soon have all her ancient, classic freedoms restored.

CONGRESS MUST NOT TURN AGAINST THE POOR

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. VAN DEERLIN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. VAN DEERLIN. Mr. Speaker, we are in the midst of a crisis that is wracking cities across the land.

In the emotionally charged climate of the House today, there are those among us who would now turn their backs on the poverty that is behind the rioting. They would penalize the many for the offenses of a few.

I personally have nothing but contempt for an individual such as H. Rap Brown, national chairman of the oddly named Student Nonviolent Coordinating Committee.

But in addition to punishing Brown, should we not also consider the innocent victims of his deadly visit this week to Cambridge, Md.?

What do they have to show for Brown's attentions, beyond the fact that their community has been burned to the ground?

And what about the homeless children in Detroit, who never had much but have next to nothing now? Do we, as the elected Representatives of the people of the United States, now tell them that we do not care, that their problems are of no concern to us.

It might be tempting, in these troubled times, to move toward the permanent repression of the poor. A case can be made for repression. A watchful and patrolling militia, well trained and well armed, can keep a relatively defenseless population subdued for a long time. And we can always supplement martial law with repressive legislation. We can foster restrictions on speech, and we can outlaw the assembly of more than three people. We can confine people to their homes, and shoot them down for breaking curfew.

In a riot situation, we must resort to these stern measures.

But a show of force is only good for the moment. It is no guarantee against future riots and disorder. We in the House, therefore, must ultimately commit ourselves to do battle with the conditions of family and community life which engender the violence now besetting the Nation.

The riots have common characteristics, and they should be closely examined before we form conclusions about the causes and cures of this national illness. All the riots have occurred in areas with poor and overcrowded housing, and where unemployment is at least twice the national average. They have occurred where the infant mortality rate is tragically high, and where rats pose a daily hazard to sleeping infants. Perhaps most telling of all, the riots have occurred in areas of economic hopelessness and despair from which there is no apparent means of escape.

Over the long run, I believe, our best hope for a solution to these problems is still the war on poverty. The early skirmishes have not all been as successful as we might like, but at least we have begun a concerted effort to eliminate poverty in all its manifestations.

We are now asked to reaffirm our commitment to this enormously important war. We are asked specifically to extend the life of the Office of Economic Opportunity, which has a congressional mandate to assist the poor.

I hope that this body will disabuse itself of any misguided notions of vengeance when it deliberates the 1967 amendments to the Economic Opportunity Act. The elimination of the war on poverty, or the scaling down of the antipoverty effort, would hardly be a responsible form of legislative conduct, particularly in these trying times.

Instead of reducing our efforts to help the poor, these times in fact call for new creativity and compassion. We must begin to pay determined heed to those who have asked us to overcome stinginess, partisanship and delay where the problems of the poor are concerned. We must act with wisdom and dispatch to improve the quality of urban living. We must be more deeply concerned that we ever have before about finding solutions to the problems of the poor.

We can only shudder at the state our cities might be in today if the campaign to end poverty had not been commenced at all.

LEGISLATION INTRODUCED REGARDING U.S. TARIFF POLICIES IN THE TRUST TERRITORY

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentlewoman from Hawaii [Mrs. MINK] may extend her remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mrs. MINK. Mr. Speaker, I am today introducing legislation to assist in our long-range endeavor to upgrade and expand the economy of the Trust Territory of the Pacific Islands. My bill is designed to extend to these islands of Micronesia the same tariff treatment as is presently accorded other insular possessions of the United States.

I regard this legislation as most appropriate to meet our United Nations mandate to develop this area economically, politically, and socially. To this end the House passed our Interior Committee bill, H.R. 5277, on March 21, 1967, to set up a 3-year program of economic development in the trust territory, authorizing a $7½ million supplemental appropriation for 1967 and $35 million for each of the fiscal years 1968 and 1969. Unfortunately the eventual appropriation amounted to only $1.7 supplemental for the fiscal year just past, $24 million for 1968, and no allocation has been made for 1969.

It becomes more imperative in this light that we do everything possible to speed along the development of the trust territory. In my remarks on March 21, in support of H.R. 5277, I pointed out the crying need for increased expenditures for hospitals, medical personnel, schools, communications, transportation, public works, power, and a variety of other needs.

We need to encourage promising industries; for example, tourism and fishing, and I regard favorable treatment in tariff schedules as one additional significant step we can take at this point as part of our commitment to the future of the territory.

In this connection, Mr. Speaker, I was gratified to note that the distinguished majority leader of the Senate in a July 18 speech suggested that we reexamine our tariff policies in regard to the trust territory, and that with the same speech Senator Mansfield introduced Senate Joint Resolution 96 to create a commission to make a full study of the future political status of the territory.

I submit, Mr. Speaker, that a self-sufficient economy for Micronesia is absolutely basic to eventual autonomy, and it is incumbent on us to take every step possible toward that end. The paucity of appropriations for the trust territory has kept the inhabitants in a state of near total dependency, and I am hopeful that this body will consider the favorable tariff treatment legislation I am introducing as a sensible and useful means toward our larger goals for the Trust Territory of the Pacific Islands. Because of various problems that inhere in our relations to a possession that is neither domestic nor foreign, I am convinced that we must accord to the trust territory the same benefits we extend to Samoa, Guam, and other possessions whose economic development is likewise directly contingent on our expression of commitment to their future. I urge my colleagues to support this legislation on behalf of these people whose future is in our trust.

CONGRESSMAN ANNUNZIO URGES ELIMINATION OF SOCIAL INJUSTICES UNDERLYING RIOTS

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. ANNUNZIO] may ex-

tend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, over the past few days I have been abhorred as I watched my Republican colleagues rise up on this floor and malign the President of the United States for not displaying adequate leadership in putting an end to the violence which has razed our cities over the past weeks. Perhaps this is understandable, for indeed it would appear that this same group has no insight into long-range social planning but can only react to injustice by quelling the outbreaks which this injustice inevitably causes.

Many of my colleagues are dismayed by what must appear to them as a recent development in our society. "Why, such things cannot happen in America," they tell me; "it must be the Communists at work." Maybe they are right. Maybe there are Communists at work. But history has shown to those who have eyes to see, that communism cannot exist except where it has poverty, ignorance, and social injustice to feed upon.

When President Johnson declared the war on poverty, he was not soliciting votes, Mr. Speaker, he was initiating a preventative war in order to avert what we are experiencing now. There are those who tell me that such a program is interfering with local governments. Well, let me ask this—where were the local governments before the Federal programs were instituted? Why is the "private sector" not contributing millions to rid our cities of rats? Why has private industry not mobilized to supply the funds necessary to retrain the poor, the unskilled, the uneducated in our ghettos? This panacea of local government has been shown to be nothing more than superfluous verbosity—in short, a lot of hot air. Only the Federal Government, supplementing the efforts of the local and State governments, can mobilize the resources necessary to get the job done.

We are fighting a war in Southeast Asia to insure to a small country the right of national self-determination. We are spending billions of dollars to guarantee a better way of life to Asians, but we balked at spending $40 million in 2 years to rid our own Nation of rats. People had the audacity, Mr. Speaker, to make a huge joke out of this rat extermination legislation, "the civil rats bill," they called it. Yet right in my own district, in the middle of one of the largest cities in this Nation, with the largest annual gross national product in the world, mothers stay awake at night to keep rats and insects from attacking their infants. The humor of this escapes me. This was not the only measure cut down in this House; the Office of Economic Opportunity also suffered drastic cuts in allocations. It would appear that all the programs directed toward bettering conditions in slums, advancing educational opportunities for the deprived, or training the adult, unskilled worker, will meet the same fate.

Mr. Speaker, I said last year when speaking in favor of the 1966 Civil Rights Act, that history has been very patient with us, but her patience is wearing thin. I reiterate that today. I deplore violence as much as the next man, but I say this—as long as the Congress abdicates its position of responsibility in dealing with social injustice, as long as the most it can do for the desolate is to pass a weak and meaningless antiriot act, then deplore it as we might, we must expect it.

AMERICAN MERCHANT MARINE

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. CLARK] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CLARK. Mr. Speaker, as a member of the House Merchant Marine and Fisheries Committee, I see and hear a great deal about the American merchant marine and the many ways it serves the national interest.

Yet I constantly come upon new demonstrations of what it means to our country. I want to cite just one small example which has recently come to my attention. Each year some 400 or more college students are able to go on with their education because of opportunities they have had during the summer to work on ships under contract to the National Maritime Union.

They are young people of all races, creeds, and colors. They obtained the jobs through the NMU hiring hall which is a model of democracy in itself.

True it is a relatively small group. It does not put much of a dent in the masses of young people looking for an opportunity either for the summer months or as the start of a career. We must remember, that it is a relatively small merchant marine.

I believe it is noteworthy that in this relatively small industry, the National Maritime Union is able to make this kind of opportunity available and that it should mean so much to these young people today.

There was a time, not too long ago, when jobs like these aboard American ships would provide nothing more for a young person than the chance for travel and adventure. The jobs did not pay enough for them to serve any more constructive purpose. This would still be true on ships of most other nations.

I point this out because these hundreds of young people, who are shipping out for the summer through NMU, dramatize a fact about American-flag ships which too few people give any thought to; namely, that our American-flag ships reflect the American way of life. They are a factor in supporting that way of life.

This should be considered by Americans when they plan a cruise. And by importers and exporters of goods when they arrange for shipments. When we support the American merchant marine, we are supporting American standards and American opportunity in a vital industry. We should not forget it.

OPPOSITION TO REDISTRICTING COMPROMISE

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. TIERNAN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. TIERNAN. Mr. Speaker, I am unequivocally opposed to any redistricting compromise to be devised by the House-Senate conferees which in effect would have the practical effect of delaying congressional reapportionment until the 1972 elections.

It was regrettable that the House was limited to debate on H.R. 2508 under a closed rule. I voted against the closed rule motion in hopes that there would be a free and open discussion on the merits of the committee bill and that there would be a possibility for amending the bill on the floor.

Therefore, today I want to go on record in favor of the more equitable Senate redistricting plan not only because it sets the permissible population variation between congressional districts at 10 percent, but also because it is effective for the 1968 congressional elections.

The Senate bill embraces the true spirit of the one-man, one-vote principle. This principle I supported and advanced as a Rhode Island State Senator even prior to the Supreme Court's historic reapportionment rulings of 1962 and 1964.

The Democratic Party in Rhode Island has championed the doctrine of equal representation in our State legislature for a century and a quarter. From the outset, it has opposed the rotten borough system of senatorial apportionment embodied in the State constitution of 1843. Its attempts to reform this inequitable system were repeatedly stymied by the rural-based opposition party, who were determined to maintain the unjust advantage they held in the Upper House of the Rhode Island General Assembly.

In 1960, as a freshman senator, I made a slight correction of this imbalance by securing for the expanding cities of Warwick and Cranston an additional senator. When my bill was introduced, the 69,000 people of the city of Warwick and the 1,169 people of the town of West Greenwich were equally represented in the Rhode Island Senate—each group had one vote.

In 1962, I was a petitioner in the Rhode Island State Supreme Court for reapportionment of the Rhode Island House of Representatives. The court ultimately found that the house of representatives was malapportioned.

In 1963, I became a party to a suit in the Rhode Island Federal District Court to require immediate reapportionment of the Rhode Island House of Representatives. As a result of this litigation, the Rhode Island Legislature began reapportionment proceedings and in 1966 it reapportioned not only the house of representatives but the State senate.

Thus, I would be guilty of political inconsistency and I would violate the principle of equal representation so long es-

poused by the Democratic Party of my State if I were to support the compromise agreement.

The conferees' proposal is an unwarranted procrastination and, far worse, it represents a conspicuous evasion of the constitutional guarantee of equal protection of the laws.

In conclusion, may I warn the House that the compromise bill, if passed, may bring embarrassment and discredit upon this body should the Supreme Court decide that a 1972 redistricting constitutes an unjustifiable delay, and thus requires Members from States with malapportioned districts to run at-large.

We must recognize that the Court's ruling on legislative apportionment is now the law of the land. I urge that we comply with the spirit of that law as equitably and as promptly as possible.

ANTIRIOT LEGISLATION IS NEEDED MORE THAN EVER

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. BLANTON] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BLANTON. Mr. Speaker, we have seen public disorder throughout this Nation in the past few weeks. We are informed that rioting will strike numerous cities throughout this summer, and some suggest that even Washington, D.C., our Nation's Capital, will not be spared.

Today, news dispatches from Havana indicate that Stokely Carmichael, former president of the Student Nonviolent Coordinating Committee, and a full time violence coordinator, will be attending a conference of revolutionary activists. His official status is called an observer.

There is no doubt that he will inform his comrades of his success in spreading violence and open revolt in the United States. It is even possible the former Trinidad citizen will pick up some new techniques in subversive activities.

Carmichael has sown the seeds of hate wherever he has been. He spoke in Atlanta not long ago—and that city had rioting. He spoke in the capital of my home State—and rioting resulted. His comrade in arms, the present SNCC leader, spoke only this week in Cambridge, Md., and 3 hours later that city was aflame.

I wish to point out to the critics of the antiriot bill which this body passed, that such legislation is needed more than ever. I trust that the Senate will give its approval and that it will become law.

I also called on the Justice Department to make a full investigation into the activities of Mr. Carmichael's trip to Cuba. Citizens are prohibited from travel to this country, and the Justice Department should report to Congress on the steps it will take in implementing this regulation.

Mr. Speaker, the Negro community of this country deserve much more than to be victimized by professional agitators. For the most part, it is the Negro citizens themselves who suffer the consequences of violence in their neighborhoods. It is many times their homes which are set aflame, their streets that are littered and scarred by destruction, their stores that are looted and pillaged.

These are the very people who can less afford to be subjected to this unnecessary scourge.

What is perhaps even more damaging than mere property loss, is the loss of respect. America, now more than ever before, is trying to help the people of the ghetto. But such irresponsible actions by a few professional agitators can produce much alarm, fear and hate by the great majority of Americans.

While we can never play down the plight of the American Negro—and certainly not the problems of the modern urban areas, I think it is well to keep in mind that there are an estimated 34,300,000 poor in this country. The poor Negro represents about one-third of this total. More than seven out of every 10 poor Americans are white. Some 6,500,000 white families live in abject poverty—against 1,800,000 Negro families in a comparable state.

If we are to make progress against poverty, urban conditions, and the social ills of our time, we cannot forget that the majority of poor do not vent their grievances on others—they do not take to the streets in riots. Let us not forget these people in our rush to aid only those who demonstrate their discontent in lawless ways.

And let us all keep in mind, as another election year approaches, that we public servants are in part to blame. The promises politicians make for solving problems overnight, in truth will take many years of concerted effort. Let all know that there are not overnight solutions to problems which have existed for decades.

THE "KAIULANI" PROJECT

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. GARMATZ] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GARMATZ. Mr. Speaker, in October 1964 the American people were presented with a priceless heritage of America's maritime history by the people of the Philippines, the hull of the *Kaiulani*, America's last square-rigged merchant ship. President Johnson formally accepted this gift from the then President of the Philippines, Diosadado Macapagal, on behalf of the American people during a White House ceremony.

President Johnson assigned the immense and difficult task of restoring the *Kaiulani* to the National Maritime Historical Society, which has done an outstanding job on an extremely small budget. The Philippine Navy has assisted in this effort by generously donating the use of the ship repair facility at Cavite City for the restoration of the *Kaiulani;* and the U.S. Navy has given every possible assistance.

To date, a great deal of basic hull restoration has been completed by the National Maritime Historical Society. This work has been financed entirely through voluntary contributions from interested Americans and Filipinos.

Continuing Philippine interest in the *Kaiulani* project is evidenced by the participation of the President of the Philippines, Ferdinand Marcos, as honorary chairman of the National Maritime Historical Society.

It is planned that upon completion of the restoration, the *Kaiulani* will be sailed from the Far East to the Nation's Capital by a volunteer American crew, where she will be permanently berthed on the Washington waterfront as a nonprofit maritime museum and as a monument to the American merchant marine.

Last year on May 2, 1966, I introduced House Resolution 837, "expressing the sense of the House of Representatives that the *Kaiulani* project deserves the full support of the American people and, particularly, the full support of the American merchant marine."

Unfortunately, the National Maritime Historical Society has not received all of the financial support necessary to complete the restoration of the *Kaiulani*. Since American prestige is involved in completing this project which symbolizes the goodwill and friendship between the Republic of the Philippines and our own country, I am introducing legislation amending title XI of the Merchant Marine Act, 1936, to authorize the Secretary of Commerce to guarantee certain loans made to the National Maritime Historical Society for the purpose of restoring and returning to the United States the last surviving American square-rigged merchant ship, the *Kaiulani*.

I am pleased to announce that this legislation is being cosponsored by Messrs. LENNON, DOWNING, MURPHY of New York, HATHAWAY, MAILLIARD, PELLY, MORTON, EDWARDS of Alabama, REINECKE, and POLLOCK, all members of the House Merchant Marine and Fisheries Committee.

This legislation would authorize the Secretary of Commerce to issue a Federal ship mortgage guarantee on behalf of the National Maritime Historical Society. This would allow the society to borrow the funds necessary to complete the restoration from a commercial lender with a Federal guarantee of repayment of interest and principal. The society will be in a position to repay a commercial loan through receipts earned as a museum ship on the Washington waterfront. However, we are leaving it up to the Secretary of Commerce to determine the financial feasibility of the project.

Under this arrangement the Federal Government can assist the *Kaiulani* project without the expenditure of any Federal funds. This is the very least the Government can do to save America's last square-rigged merchant vessel.

NATIONAL LEAGUE OF CITIES CONDEMNS PARTISAN POLITICAL STATEMENTS ABOUT RIOTING

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. MEEDS] may ex-

tend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. MEEDS. Mr. Speaker, the executive director of the 14,300-member National League of Cities had emphatically and rightly condemned as nothing short of deplorable the Republican coordinating committee's partisan political statements blaming the Johnson administration for the current riots in many U.S. cities.

NLC Executive Director Patrick Healy's statement to the press cries out to be read by those who would exhibit such a glaring paucity of statesmanship as to seek political gain out of the awful destruction and misery of the recent urban violence.

Mr. Speaker, I say with all possible emphasis that we simply cannot countenance the irresponsibility which would lay at the feet of one man or one political party the blame for the rioting in our cities. It is particularly reprehensible, in my opinion for anyone to point accusing fingers at President Johnson. As the National League of Cities statement points out:

It is a matter of record that President Johnson has offered more constructive proposals for the improvement of our cities and the well-being of their disadvantaged citizens than any other President in history.

I am appalled, Mr. Speaker, that some Members of this Congress would seek to exploit the fears of an apprehensive public by propounding the blatant fallacy that President Johnson is responsible for urban rioting and crisis.

These are times which require instead the resolute application of bipartisan wisdom.

Indeed, if the recent history of opportunities missed were needed, the National League of Cities has furnished it. It has reminded us with telling accuracy about the record of shortsightedness exhibited by those who have consistently failed to heed the President's requests for remedial urban programs.

The very Republican leaders who now condemn the President and decry the current unrest have consistently opposed these constructive programs and slashed their appropriations. No better evidence exists than their recent attack on funds for model cities, their successful elimination of funds for rent supplements and their current attempt to destroy the antipoverty program.

Mr. Speaker, those hasty and improvident accusations to which I have referred only widen the breaches of communication which we must begin rapidly to heal. I know I am joined by all thinking men when I hope rationality, wisdom, and reflection will now elevate our deliberations. We must recognize the urgency of dealing intelligently with our enormous urban problems.

Mr. Speaker, the National League of Cities' statement which follows will, I know, be of great interest to my colleagues:

WASHINGTON, July 25.—The 14,300 member city National League of Cities today took sharp issue with the Republican Coordinating Committee's statements blaming the Johnson Administration for the current riots in many U.S. cities.

NLC Executive Director, Patrick Healy issued the following statement:

"The Republican Coordinating Committee's attempt to make the current strife in Detroit and dozens of other American cities a partisan political issue is deplorable. It represents a callous disregard of the needs of the people and a lack of knowledge of the factors involved in the disturbances.

"We agree with Sen. Dirksen's statement that the conditions in our cities have deteriorated in recent years. Republican and Democratic mayors alike have documented this condition to committee after committee of the Congress.

"We do not seek to engage in a partisan debate but as a spokesman for 14,300 American cities, I am compelled to set the record straight in the interest of reaching a realistic solution.

"It is a matter of record that President Johnson has offered more constructive proposals for the improvement of our cities and the wellbeing of their disadvantaged citizens than any other president in history. Time and again these have been reduced or rejected by the Congress. The very Republican leaders who now condemn the President and decry the current unrest have consistently opposed these constructive programs and slashed their appropriations. No better evidence exists than their recent attack on funds for model cities, their successful elimination of funds for rent supplements and their current attempt to destroy the anti-poverty program.

"It is naive to think the current problems of our cities will be resolved by suppressive anti-riot laws. The strife we now endure is not the product of interstate agitation but is a vented anger resulting from poor housing, lack of education, inadequate job opportunities and a failure to appreciate these facts by some of those in positions of leadership in the Congress."

LIBERIAN INDEPENDENCE DAY

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. O'HARA] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, Liberia celebrates today the 120th anniversary of its independence. The Republic had its origin, however, at a much earlier date when, in 1816, the American Colonization Society was given a charter by the U.S. Congress to send freed slaves to the west coast of Africa.

The country was first settled in 1822, and in 1847 the free and independent Republic of Liberia was constituted, it being the only independent Negro republic in Africa. Its constitution was modeled after our own. It is no wonder, therefore, that we in the United States have a special place in our hearts for the citizens of Liberia and throughout the history of the two nations close and cordial relations have been enjoyed.

President Tubman, long a friend of the United States, has successfully established a productive collaboration between Liberia and American business firms, notably in the development of Liberia's mineral and plantation resources.

It is my great pleasure in the name of the House of Representatives of the Congress of the United States, and for all the citizens of this Nation, to salute the people of Liberia and her most capable President. At the same time I express my warm personal good wishes to Liberia's distinguished able and popular Ambassador to the United States, His Excellency S. Edward Peal.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BURKE of Florida (at the request of Mr. GERALD R. FORD) on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 60 minutes, on July 27, 1967; to revise and extend his remarks and to include extraneous matter.

(The following Members (at the request of Mr. MCCLURE) and to revise and extend their remarks and include extraneous matter:)

Mr. LAIRD, for 1 hour, on July 27.

Mr. GOODELL, for 30 minutes, today.

Mr. HALPERN, for 15 minutes, on July 27.

Mr. DUNCAN, for 20 minutes, on July 27.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. HANNA.

Mr. GREEN of Pennsylvania.

(The following Members (at the request of Mr. MCCLURE) and to include extraneous matter:)

Mr. BERRY.

Mr. ESCH.

Mr. DENNEY.

Mr. REINECKE.

(The following Members (at the request of Mr. PUCINSKI) and to include extraneous matter:)

Mr. EILBERG in two instances.

Mr. BENNETT.

Mr. PUCINSKI in two instances.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 88. Joint resolution authorizing the operation of an amateur radio station by participants in the XII World Boy Scout Jamboree at Farragut State Park, Idaho, August 1 through August 9, 1967.

ADJOURNMENT

Mr. PUCINSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 29 minutes p.m.), the House adjourned until tomorrow, Thursday, July 27, 1967, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

953. Under clause 2 of rule XXIV, a letter from the Deputy Secretary of the Interior, transmitting a draft of proposed legislation to amend the Criminal Code to expand the jurisdiction of U.S. commissioners relative to petty offenses committed within Federal lands, was taken from the Speaker's table and referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RIVERS: Committee on Armed Services. H.R. 11722. A bill to authorize certain construction at military installations, and for other purposes (Rept. No. 512). Referred to the Committee of the Whole House on the State of the Union.

Mr. DANIELS: Committee of conference. H.R. 11089. An act to amend title 5, United States Code, to provide additional group life insurance and accidental death and dismemberment insurance for Federal employees, and to strengthen the financial condition of the employees' life insurance fund (Rept. No. 513). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 11793. A bill to provide for the establishment of a program under which tickets to professional, semiprofessional, and amateur baseball, football, basketball, hockey, and soccer games will be furnished at no cost by local police officers and firemen to individuals under the age of 19, particularly such individuals who are economically underprivileged; to the Committee on Interior and Insular Affairs.

By Mr. ASHBROOK:

H.R. 11794. A bill relating to the appointment of the Director of the Federal Bureau of Investigation; to the Committee on the Judiciary.

By Mr. ASHMORE:

H.R. 11795. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 11796. A bill to provide for the training and equipping of the National Guard in riot control; to the Committee on Armed Services.

By Mr. BERRY:

H.R. 11797. A bill to cut off Federal benefits for conviction of rioting and prohibiting entitlement to such benefits thereafter; to the Committee on the Judiciary.

By Mr. BOW:

H.R. 11798. A bill to establish the Saugus Iron Works National Historic Site in the State of Massachusetts, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CAREY:

H.R. 11799. A bill relating to the appointment and promotion of deputy U.S. marshals; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R.11800. A bill to require the licensing by the States or the Federal Government of operators of certain vessels on navigable waters of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. DAVIS of Georgia:

H.R. 11801. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. FASCELL (for himself and Mr. SAYLOR):

H.R. 11802. A bill to amend title 18 of the United States Code so as to prohibit the transportation and shipment in interstate or foreign commerce of alligators and alligator hides taken in violation of Federal or State laws; to the Committee on the Judiciary.

By Mr. JOELSON:

H.R. 11803. A bill to authorize the Attorney General to make grants to local law enforcement agencies to assist them in the prevention and control of riots; to the Committee on the Judiciary.

By Mr. KUPFERMAN:

H.R. 11804. A bill to amend the record-keeping provisions of the 1965 Food and Drug Amendments to the Federal Food, Drug and Cosmetic Act to require that records must be segregated or kept in some other manner that enables them to be promptly identified and inspected, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORHEAD:

H.R. 11805. A bill to amend title VII of the Housing Act of 1961 to authorize Federal grants under the open-space land program for the development and redevelopment of existing open-space land and for the acquisition of outdoor and indoor recreational buildings, centers, facilities, and equipment, and for other purposes; to the Committee on Banking and Currency.

By Mr. MULTER (for himself, Mr. BARRETT, Mr. RODINO, Mr. REUSS, Mr. FARBSTEIN, Mr. PUCINSKI, Mr. RYAN, Mr. ST GERMAIN, Mr. ROSENTHAL, Mr. LEGGETT, Mr. MATSUNAGA, Mr. HOWARD, Mr. VIGORITO, Mrs. MINK, Mr. RESNICK, Mr. SCHEUER, and Mr. BRASCO):

H.R. 11806. A bill to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency of temporary controls over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes; to the Committee on Banking and Currency.

By Mr. MULTER:

H.R. 11807. A bill to promote fair competition among prime contractors and subcontractors and to prevent bid peddling on public works contracts by requiring persons submitting bids on those contracts to specify certain subcontractors who will assist in carrying them out; to the Committee on the Judiciary.

H.R. 11808. A bill to amend the Internal Revenue Code of 1954 to provide an additional $3,500 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. REUSS:

H.R. 11809. A bill to amend the Federal Power Act in order to provide for regulation of the construction of electric power transmission lines near national parks, national forests, national historic sites, and certain other areas in order to preserve the historical, recreational, or scenic character of such areas; to the Committee on Interstate and Foreign Commerce.

By Mr. ST GERMAIN:

H.R. 11810. A bill to establish the Saugus Iron Works National Historic Site in the State of Massachusetts, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SCHWENGEL:

H.R. 11811. A bill to provide assistance to certain States bordering the Mississippi River in the construction of the Great River Road; to the Committee on Public Works.

By Mr. WYMAN:

H.R. 11812. A bill to authorize the Secretary of the Interior to study the most feasible and desirable means of establishing certain portions of the tidelands, Outer Continental Shelf, seaward areas, and Great Lakes of the United States as marine sanctuaries and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 11813. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. ADDABBO:

H.R. 11814. A bill to amend title V of the Social Security Act so as to extend and improve the Federal-State program of child welfare services; to the Committee on Ways and Means.

By Mr. BARRETT (for himself, Mr. NIX, Mr. BYRNE of Pennsylvania, Mr. EILBERG, and Mr. GREEN of Pennsylvania):

H.R. 11815. A bill to authorize a Federal contribution toward the cost of the 1968 conference of the International Federation of Housing and Planning; to the Committee on Banking and Currency.

By Mr. BYRNE of Pennsylvania (for himself, Mr. POFF, Mr. RODINO, Mr. DOWDY, Mr. FEIGHAN, Mr. EILBERG, Mr. BIESTER, Mr. ASHMORE, Mr. HUNGATE, Mr. TENZER, Mr. SMITH of New York, Mr. MESKILL, and Mr. SANDMAN):

H.R. 11816. A bill to provide certain benefits for law enforcement officers not employed by the United States who are killed or injured while apprehending violators of Federal law; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H.R. 11817. A bill to provide for the establishment of a program under which tickets to professional, semiprofessional, and amateur baseball, football, basketball, hockey, and soccer games will be furnished at no cost by local police officers and firemen to individuals under the age of 19, particularly such individuals who are economically underprivileged; to the Committee on Interior and Insular Affairs.

Mr. HALPERN:

H.R. 11818. A bill to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, and for other purposes; to the Committee on Banking and Currency.

By Mr. HAMMERSCHMIDT:

H.R. 11819. A bill to reclassify certain positions in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. KELLY:

H.R. 11820. A bill to amend title V of the Social Security Act so as to extend and improve the Federal-State program of child welfare services; to the Committee on Ways and Means.

By Mr. MACDONALD of Massachusetts:

H.R. 11821. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mrs. MINK:

H.R. 11822. A bill to amend the tariff schedules of the United States to accord to

the Trust Territory of the Pacific Islands the same tariff treatment as is provided for insular possessions of the United States; to the Committee on Ways and Means.

By Mr. REID of New York:

H.R. 11823. A bill to amend the Federal Firearms Act; to the Committee on the Judiciary.

By Mr. REINECKE:

H.R. 11824. A bill creating a commission to be known as the Commission on Noxious and Obscene Matters and Materials; to the Committee on Education and Labor.

By Mr. RESNICK:

H.R. 11825. 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. REUSS (for himself, Mr. ANNUNZIO, Mr. WILLIAM D. FORD, Mr. FRASER, Mr. MCCARTHY, Mr. MCCLORY, Mr. MOSHER, Mr. PUCINSKI, Mr. ZABLOCKI, and Mr. STANTON):

H.R. 11826. A bill to authorize rehabilitation of navigation structures and appurtenant works of the St. Lawrence Seaway project to be carried out by the St. Lawrence Seaway Development Corporation and financed from appropriations; to the Committee on Public Works.

By Mr. SCHEUER:

H.R. 11827. A bill to remove certain restrictions of Federal law from lotteries conducted by States for the support of public education; to the Committee on the Judiciary.

H.R. 11828. A bill to remove certain restrictions of Federal law from lotteries conducted by States for the support of public education; to the Committee on the Judiciary.

By Mr. BOLAND:

H.J. Res. 749. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mr. FULTON of Pennsylvania:

H.J. Res. 750. 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. GARMATZ (for himself, Mr. LENNON, Mr. DOWNING, Mr. MURPHY of New York, Mr. HATHAWAY, Mr. MAILLIARD, Mr. PELLY, Mr. MORTON, Mr. EDWARDS of Alabama, Mr. REINECKE, and Mr. POLLOCK):

H.J. Res.751. Joint resolution amending title XI of the Merchant Marine Act, 1936, to authorize the Secretary of Commerce to guarantee certain loans made to the National Maritime Historical Society for the purpose of restoring and returning to the United States the last surviving American square-rigged merchant ship, the *Kaiulani*, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BETTS (for himself, Mr. MCCULLOCH, Mr. ADAIR, Mr. BOW, Mr. BERRY, Mr. BROYHILL of North Carolina, Mr. BROYHILL of Virginia, Mr. CEDERBERG, Mr. HUTCHINSON, Mr. KING of New York, Mr. MARTIN, Mr. MOSHER, Mr. ROUDEBUSH, Mr. SCHNEEBELI, Mr. SHRIVER, Mr. THOMSON of Wisconsin, and Mr. UTT):

H. Con. Res. 428. Concurrent resolution to establish a joint congressional committee to investigate riots and violent civil disorder; to the Committee on Rules.

By Mr. BROYHILL of North Carolina:

H. Con. Res. 429. Concurrent resolution to establish a joint congressional committee to investigate riots and violent civil disorder; to the Committee on Rules.

By Mr. DON H. CLAUSEN:

H. Con. Res. 430. Concurrent resolution to establish a joint congressional committee to investigate riots and violent civil disorder; to the Committee on Rules.

By Mrs. DWYER:

H. Con. Res. 431. Concurrent resolution to establish a joint congressional committee to investigate riots and violent civil disorder; to the Committee on Rules.

By Mr. FINO:

H. Con. Res. 432. Concurrent resolution to establish a joint congressional committee to investigate riots and violent civil disorder; to the Committee on Rules.

By Mr. EDMONDSON:

H. Res. 819. Resolution authorizing the creation of select committee to conduct a full and complete investigation of riots; to the Committee on Rules.

By Mr. PIRNIE:

H. Res. 820. Resolution to create a select committee to investigate causes of riots in large metropolitan areas; to the Committee on Rules.

By Mr. PRICE of Texas:

H. Res. 821. Resolution creating a select committee to conduct an investigation of the cause of recent riots in large metropolitan areas; to the Committee on Rules.

By Mr. RARICK:

H. Res. 822. Resolution to authorize an investigation of anarchy on the streets of the United States; to the Committee on Rules.

H. Res. 823. Resolution to create a select committee to investigate into the uses and effects of LSD, STP and other psychedelic drugs; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BOLAND:

H.R. 11829. A bill for the relief of Alberigo Romeo; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 11830. A bill for the relief of Joao Pereira; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 11831. A bill for the relief of Concetta d'Amico; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 11832. A bill for the relief of Nicola Femia; to the Committee on the Judiciary.

By Mr. ST. ONGE:

H.R. 11833. A bill for the relief of Mario Gagliardi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

133. The SPEAKER presented a petition of Pennsylvania Bar Association, Harrisburg, Pa., relative to the creation of one additional judgeship for the U.S. Court of Appeals for the Third District, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

San Fernando Valley Neighborhood Legal Services

EXTENSION OF REMARKS

OF

HON. ED REINECKE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1967

Mr. REINECKE. Mr. Speaker, I wish to call to the attention of the House the outstanding accomplishments and service of the San Fernando Valley Neighborhood Legal Services. Under the able direction of Mr. Stephen N. Besser, this program, operating under a Federal grant from the Office of Economic Opportunity, has rendered legal service to more than 6,000 people in the San Fernando Valley area of Los Angeles.

There are more than 1 million people living in our valley. Of these an estimated 116,000 are in an income bracket where they would be unable to pay for their own legal advice.

I am pleased that many private attorneys in my district have contributed their professional services to this program. This is one area in which concrete service can be given to those who need it from every circumstance.

I wish to commend Mr. Besser and his colleagues for their fine work.

National Crime Rate

EXTENSION OF REMARKS

OF

HON. ROBERT V. DENNEY

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1967

Mr. DENNEY. Mr. Speaker, perhaps the most distressing domestic problem now facing the United States is the dramatic rise in the Nation's crime rate. At the present time, the Nation's crime rate is growing approximately six times faster than the population of our country. In 1966 there was a serious crime committed every 11 seconds.

The reasons behind this increase are several. The society-is-at-fault theory has some merit. Often better education and housing is badly needed. But the basic cause for this cancer in our Nation's moral fiber is that many people have lost respect for the law which must govern and protect our society. But why this loss of respect?

It is my belief that recent U.S. Supreme Court decisions have so entangled law-enforcement authorities in so-called criminal rights that there has been a terrible neglection of the public's right of protection. Respect is often based on fear, and unless the potential criminal fears swift, certain, and impartial justice, his respect for the law is lost.

Also, Attorney General Ramsey Clark, inexperienced at law enforcement, refuses to allow the use of electronic surveillance equipment. It is my firm belief, as a former FBI agent, that these devices, with the proper safeguards for civil liberties, can be invaluable in the fight against crime.

The vast majority of the citizens in the United States do maintain respect for