United States; to encourage the study and improvement of the care, handling, and treatment and the development of methods for minimizing pain and discomfort of laboratory animals used in biomedical activities; and to otherwise assure humane care, handling, and treatment of laboratory animals; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CONYERS:

H.R. 14309. A bill to establish the Federal Reinsurance Corporation to assure the availability of casualty insurance in areas which may present unusual risks of riots or civil disturbances; to the Committee on Banking and Currency.

By Mr. DOWNING (by request):

H.R. 14310. A bill to amend the Migratory Bird Treaty Act to prohibit the baiting of waterfowl, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HORTON:

H.R. 14311. A bill to extend the benefits of the Civil Service Retirement Act Amendments of 1966, with respect to termination of widow's and widower's annuities upon remarriage, to certain widows and widowers of persons retired or otherwise separated prior to July 18, 1966; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER:

H.R. 14312. A bill to establish a commission to study the organization and management of the executive branch of the Government, and to recommend changes necessary or desirable in the interest of governmental efficiency and economy; to the Committee on Government Operations.

H.R. 14313. A bill to establish the Government Program Evaluation Commission; to the Committee on Government Operations.

By Mr. THOMPSON of New Jersey (for himself, Mr. HOLLAND, Mr. BRADEMAS, Mr. O'HARA of Michigan, Mr. CAREY, Mr. HAWKINS, Mr. WILLIAM D. FORD, Mr. HATHAWAY, Mrs. MINK, Mr. SCHEUER, Mr. MEEDS, Mr. REID of New York, Mr. DELLENBACK, and Mr. STEIGER of Wisconsin):

H.R. 14314. A bill to amend section 302(c) of the Labor-Management Relations Act of 1947 to permit employer contributions to trust funds to provide employees, their families, and dependents with scholarships for study at educational institutions or the establishment of child care centers for preschool and school-age dependents of employees; to the Committee on Education and Labor.

By Mr. GALLAGHER:

H.J. Res. 951. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WHALLEY:

H.J. Res. 952. Joint resolution creating a Federal Committee on Nuclear Development to review and reevaluate the existing civilian nuclear program of the United States; to the Joint Committee on Atomic Energy.

By Mr. NIX:

H. Con. Res. 593. Concurrent resolution expressing the sense of the Congress that the United States should take appropriate action to insure the security and safety of the country and people of Israel; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ADDABBO:

H.R. 14315. A bill for the relief of Mary Roberts McFeely; to the Committee on the Judiciary.

H.R. 14316. A bill for the relief of Casimiro Marchese; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 14317. A bill for the relief of Amalia Morales; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 14318. A bill for the relief of Miss Keiko Nakamura; to the Committee on the Judiciary.

By Mr. CABELL:

H.R. 14319. A bill for the relief of Salpy Tchalekian; to the Committee on the Judiciary.

By Mr. FRIEDEL:

H.R. 14320. A bill for the relief of Belur S. Bhagavan, his wife, Leelavathi, and his child, Minni; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 14321. A bill for the relief of Hui Wai Kay; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 14322. A bill for the relief of Miriam Mischel; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 14323. A bill for the relief of Mrs. Elise C. Gill; to the Committee on the Judiciary.

By Mr. PATTEN:

H.R. 14324. A bill for the relief of Dr. Pedro Baudilio Napoles (Fernandez); to the Committee on the Judiciary.

H.R. 14325. A bill for the relief of Edward J. Reese, Jr.; to the Committee on the Judiciary.

By Mr. REES:

H.R. 14326. A bill for the relief of Mr. and Mrs. Alfonso Cediel and their minor child, Liliana; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 14327. A bill for the relief of Arie Aviv (also known as Arie Abrimovich); to the Committee on the Judiciary.

By Mr. TENZER:

H.R. 14328. A bill for the relief of Pamela Heavey; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII,

214. Mr. SNYDER presented a petition of Richard L. Walker of St. Matthews, Ky., chairman of the Friends of Rhodesian Independence, relative to reconsidering our policy toward the independence of the Republic of Rhodesia, which was referred to the Committee on Foreign Affairs.

# SENATE

## WEDNESDAY, DECEMBER 6, 1967

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

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

God of grace and God of glory, trusting only in Thy mercy would we seek Thy face. We are but frail children of dust. As for every one of us swift to its close ebbs out life's little day, so teach us to number our days that we may apply our hearts unto wisdom.

In a confused day, keep our minds clear and clean and uncluttered by prejudice. In a darkened day, when so many lights have gone out, give us the sight and the insight of the pure in heart that we may see God and the godlike everywhere. In a clamorous day, filled with angry accents of hatred and suspicion, give us ears to hear the voices that speak of justice and freedom and world understanding. In a mad day, grant us sanity of mind in our outlook and a glad and buoyant hope that sends a shining ray far down the future's broadening way.

We ask it in the dear Redeemer's name. Amen.

## THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, December 5, 1967, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## MESSAGE FROM THE HOUSE

A Message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 294) for the relief of Elroy C. Navarro, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate.

H.R. 4961. An act for the relief of Donald E. Crichton;

H.R. 6659. An act for the relief of Dr. Pedro Augusto Ruiz y Cue;

H.R. 7909. An act for the relief of Manufacturers Hanover Trust Co., of New York, N.Y.;

H.R. 8096. An act for the relief of certain individuals employed by the Department of the Air Force at Kelly Air Force Base, Tex.;

H.R. 8391. An act for the relief of Adel Lessert Bellmard, Clement Lessert, Josephine Gonvil Pappan, Julie Gonvil Pappan, Pelagie Gonvil Franceour de Aubri, Victore Gonvil Pappan, Marie Gonvil, Lafleche Gonvil, Louis Lavanture, Elizabeth Carbonau, Vertifelle Pierre Carbonau, Louis Joncas, Basin Joncas, James Joncas, Elizabeth Datcherute, Joseph Butler, William Roger, Joseph Cote, four children of Cicili Compare and Joseph James, or the heirs of any who may be deceased;

H.R. 10003. An act for the relief of John M. Stevens;

H.R. 10199. An act for the relief of Lloyd W. Corbisier;

H.R. 11166. An act for the relief of Earl S. Haldeman, Jr.;

H.R. 11276. An act to authorize appropriations to carry out the Adult Education Act of 1966 for 2 additional years, and for other purposes; and

H.R. 11959. An act for the relief of Robert E. Nesbitt.

## ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 809. An act for the relief of Dr. Youssef (Joseph) Selim Hasbani;

S. 1410. An act for the relief of Tran Van Nguyen;

H.R. 480. An act to amend the act of October 4, 1961, relating to the acquisition of wetlands for conservation of migratory waterfowl, to extend for an additional 8 years the period during which funds may be appropriated under that act, and for other purposes;

H.R. 10805. An act to extend the life of the Civil Rights Commission; and

H.R. 12638. An act to authorize the exchange of certain vessels for conversion and

operation in unsubsidized service between the west coast of the United States and the Territory of Guam.

## HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 4961. An act for the relief of Donald E. Crichton;

H.R. 6659. An act for the relief of Dr. Pedro Augusto Ruiz y Cue;

H.R. 7909. An act for the relief of Manufacturers Hanover Trust Co., of New York, N.Y.;

H.R. 8096. An act for the relief of certain individuals employed by the Department of the Air Force at Kelly Air Force Base, Tex.;

H.R. 8391. An act for the relief of Adel Lessert Bellmard, Clement Lessert, Josephine Gonvil Pappan, Julie Gonvil Pappan, Pelagie Gonvil Franceour de Aubri, Victore Gonvil Pappan, Marie Gonvil, Lafleche Gonvil, Louis Laventure, Elizabeth Carbonau Vertifelle, Pierre Carbonau, Louis Joncas, Basin Joncas, James Joncas, Elizabeth Datcherute, Joseph Butler, William Roger, Joseph Cote, four children of Cicili Compare and Joseph James, or the heirs of any who may be deceased;

H.R. 10003. An act for the relief of John M. Stevens;

H.R. 10199. An act for the relief of Lloyd W. Corbisier;

H.R. 11166. An act for the relief of Earl S. Haldeman, Jr.;

H.R. 11959. An act for the relief of Robert E. Nesbitt; to the Committee on the Judiciary; and

H.R. 11276. An act to authorize appropriations to carry out the Adult Education Act of 1966 for 2 additional years, and for other purposes; to the Committee on Labor and Public Welfare.

## LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## SUBCOMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Government Operations be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of measures on the calendar, beginning with Calendar No. 815 and the succeeding measures in sequence.

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

## INVESTIGATIONS BY THE BUREAU OF RECLAMATION

The Senate proceeded to consider the bill (S. 286) to provide that the cost of certain investigations by the Bureau of Reclamation shall be nonreimbursable, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 6, after the word "projects", insert "including units or divisions of the Missouri River Basin project requiring amendatory authorization under terms of Public Law 88–442 (78 Stat. 446) after the effective date of this Act"; on page 2, line 2, after the word "be", strike out "nonreimbursable, except for" and insert "nonreimbursable: *Provided*, That, except as provided in item (1) above, this Act shall not apply to"; and at the beginning of line 9, strike out "July 1, 1962." and insert "January 1, 1967."; so as to make the bill read:

S. 286

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That all costs heretofore or hereafter incurred from funds appropriated to the Bureau of Reclamation and costs transferred to it for (1) investigations and surveys of potential projects, divisions of projects, including units or divisions of the Missouri River Basin project requiring amendatory authorization under terms of Public Law 88–442 (78 Stat. 446) after the effective date of this Act, or rehabilitation and betterment and water conservation requirements of existing projects; (2) studies relating to the comprehensive plan of development of the Missouri River Basin; and (3) general engineering and research studies shall be nonreimbursable: *Provided*, That, except as provided in item (1) above, this Act shall not apply to costs incurred in connection with projects or divisions of projects and rehabilitation and betterment work authorized prior to the effective date of this Act.

SEC. 2. The provisions of this Act shall take effect on January 1, 1967.

The amendments were agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 830), explaining the purposes of the bill.

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

PURPOSE OF MEASURE

The purpose of S. 286 is to make the policies of the Bureau of Reclamation, Department of the Interior, with respect to the reimbursability of costs of investigations uniform and consistent within the Bureau itself and with other agencies of the Federal Government.

At present, costs of investigations of a general, areawide, or basinwide nature that are not attributable to specific projects, are not reimbursable. On the other hand, all investigation costs attributable to specific projects must be reimbursed and are charged to the beneficiaries of the particular project. This in itself is undesirable administrative inconsistency.

The Bureau of Reclamation is the only Federal agency with responsibilities for water resource development that is required by law to charge the cost of such preauthorization studies as a reimbursable item. The costs of all such investigations undertaken by the Corps of Engineers are nonreimbursable.

Similarly, the Department of Agriculture, in developing plans for watershed improvement and in providing financial assistance in carrying out those plans, considers investigation costs as a part of the Federal participation in the program. These costs are not charged to project beneficiaries. So, too, the Department of Health, Education, and Welfare carries out extensive investigations of water quality and pollution control that are properly treated as a Federal expense.

COMMITTEE AMENDMENTS

The Missouri River Basin project presents special circumstances and problems. The project was authorized by the Flood Control Acts of 1944 and 1946. Since that time project investigations of the basin plan and specific units have been financed from construction and rehabilitation appropriations. These costs are thus subject to repayment. Public Law 88–442 (78 Stat. 446), in effect, deauthorized all unconstructed units of the Missouri River Basin project that had not been built, requiring new authorizations for future construction of the project units. New feasibility reports are, therefore, now required for all units not yet under construction. Thus, the committee believes that in the interest of equity the investigations previously made with construction and rehabilitation funds should now be made nonreimbursable under terms of this bill for those units now requiring reauthorization.

Accordingly, the committee amended the measure by adding, after the word "projects", on page 1, line 6: "including units or divisions of the Missouri River Basin Project requiring amendatory authorization under terms of Public Law 88–442 (78 Stat. 446) after the effective date of this act,."

After the word "nonreimbursable" on line 10, the following proviso was added: "*Provided*, That, except as provided in item (1) above, this act shall not apply to."

In line 11, the words "except for" were stricken.

COMMITTEE RECOMMENDATION

Since the Federal reclamation program requires the highest degree of reimbursement, it is ironic that it is the one program in which preauthorization investigation costs are not considered a Federal contribution. In order to eliminate this inequity and to bring a greater degree of uniformity among all Federal water resource development programs, the committee strongly recommends the enactment of S. 286. This bill is based in very substantial part on S. 46, 88th Congress, also sponsored by Senator Anderson, which passed the Senate on August 28, 1963.

## LANDS IN TRUST FOR THE PAWNEE INDIAN TRIBE OF OKLAHOMA

The Senate proceeded to consider the bill (H.R. 5910) to declare that the United States holds certain lands in trust for the Pawnee Indian Tribe of Oklahoma which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 7, after the word "hereby", strike out "declared to be held by the United States in trust for the benefit of" and insert "conveyed to"; on page 3, line 2, after the word "Baptist", strike out "Convention;" and insert "Convention."; after line 2, strike out:

(c) The surface of 20 acres; more or less, but not the minerals therein, located in the northeast quarter section 32 conveyed to the city of Pawnee, and more particularly described in quitclaim deed dated May 31, 1957, recorded in book 2, page 610 of the Pawnee County, Oklahoma, records;

(d) The surface of 20 acres, more or less, but not the minerals therein, located in the southeast quarter and southeast quarter southwest quarter section 32, conveyed to the city of Pawnee, and more particularly de-

scribed in quitclaim deed dated July 15, 1960, recorded in book 4, page 377 of the Pawnee County, Oklahoma, records.

And, on page 3, after line 16, strike out:

SEC. 2. If at any time title to the surface of the land referred to in paragraphs (c) and (d) of section 1 of this Act reverts to the United States in accordance with the provisions of the Act of June 4, 1953 (67 Stat. 41), as amended (25 U.S.C. 293a), the title shall be held in trust for the Pawnee Tribe of Oklahoma.

SEC. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

And, in lieu thereof, insert:

SEC. 2. The title of the Pawnee Indian Tribe to the land conveyed pursuant to this Act shall be subject to no exemption from taxation or restriction on use, management, or disposition because of Indian ownership.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 831), explaining the purposes of the bill.

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

PURPOSE

The purpose of H.R. 5910, as amended, is to convey certain lands (including minerals) and the improvements thereon embraced in the Pawnee School and Agency Reserve, together with certain cemetery sites, to the Pawnee Indian Tribe of Oklahoma.

NEED

In 1892 an agreement was negotiated with the Pawnee Tribe of Oklahoma for the cession to the United States of all reservation lands in Oklahoma which had been set aside for the Pawnee Tribe by the act of April 10, 1876 (19 Stat. 28). Thereafter, part of the reservation lands were allotted among the members of the tribe and approximately 800 acres were reserved for school and agency purposes. In addition, four 10-acre cemetery sites were reserved and the United States agreed to pay $1.25 per acre for all reservation lands remaining as surplus after allotment. This agreement was then ratified by the act of March 3, 1893 (27 Stat. 612).

Subsequently the United States conveyed portions of the reserve lands to the city of Pawnee and the Home Mission Board of the Southern Baptist Convention.

Two conflicting decisions by the U.S. Court of Claims have cast a cloud on the title to the reserved lands and raised a question of whether or not title to these lands is to be held in trust by the United States for the Pawnee Tribe of Oklahoma. A decision by the Court of Claims in 1920 (56 Ct. Cl. 1) held that the lands reserved for school and agency purposes continued as tribal property and therefore the tribe was entitled to compensation for only 45 acres of the lands so reserved.

Thereafter, the U.S. Court of Claims upheld the opinion of the Indian Claims Commission dated July 14, 1950 (docket No. 10) which held that title to the lands reserved for school and agency purposes passed to the United States at the time of the cession, *Pawnee Indian Tribe of Oklahoma* v. *United States* (109 F. Supp. 860).

The former Indian school and the agency office are no longer used; however, the tribe has its tribal community center and meeting hall located on the reserved lands and all tribal activities and social functions take place there.

The reserved lands are no longer needed by the Federal Government for school and agency purposes. The tribe now uses the lands under a year-to-year revocable permit from the Bureau of Indian Affairs pursuant to a plan of operation presented by the Pawnee Tribe. The tribe proposes to develop the lands in accordance with the plan of operation; however, economic development is prevented because of the conflicting annunciation as to how title to these lands is held. Industry proposals are rejected because the tribe does not have title to the building sites and improvements. The tribal housing authority has found that a commitment for public housing units is not possible until the tribe owns the housing sites. Agricultural development and improvement of the land is not economically feasible under a year-to-year revocable permit.

The total present estimated value of the lands and improvements conveyed by the bill is about $300,000.

The 5.46 acres of land on which the Public Health Service hospital is located will continue to be used by the Federal Government to serve the needs of the Indian tribes.

AMENDMENTS

The Subcommittee on Indian Affairs held two hearings on H.R. 5910 and a companion bill, S. 1171, introduced by Senators Harris and Monroney. As a result of the hearings and the recommendation of the Budget Bureau in its report, the committee has adopted language providing for the outright conveyance of the subject lands and improvements to the Pawnees rather than retaining the land in a trust status. The competency of the tribe to conduct its own affairs has been demonstrated for many years. The committee is of the opinion that these Indians can bring about the orderly development of the property which will result in a substantial income to the tribe.

As amended, H.R. 5910 will convey 726 acres of surplus Federal property, together with minerals and the buildings and other improvements situated thereon. The bill provides that the title conveyed to the tribe shall not be subject to any exemption from taxation or restriction on use, management, or disposition by reason of its Indian ownership.

The committee has deleted subsections (c) and (d) of section 1 and all of section 2 of the bill because the acreage involved is being used by the city of Pawnee, Okla., for certain public purposes, and the possibility of the property reverting to the Federal Government and then to the tribe, as the bill would provide, is very remote. It is the committee's belief that if such reversion should occur, Congress could make provision for conveying those lands to the Indians at that time.

The committee has eliminated the provision in the bill, as passed by the House, for a possible setoff by the Indian Claims Commission of the value of the property with which the bill is concerned for the reason that the Pawnees have no claims pending before the Commission.

The title of the bill has been amended to reflect the outright conveyance of the property to the Pawnees.

COST

The enactment of H.R. 5910 requires no expenditure of Federal funds.

The title was amended, so as to read: "An act to convey certain lands to the Pawnee Indian Tribe of Oklahoma."

## CORREGIDOR-BATAAN MEMORIAL COMMISSION

The Senate proceeded to consider the bill (H.R. 3399) to amend section 2 of Public Law 88–240 to extend the termination date for the Corregidor-Bataan Memorial Commission which had been reported from the Committee on Foreign Relations, with an amendment, strike out all after the enacting clause and insert:

That all authority, functions, and duties conferred upon the Corregidor Bataan Memorial Commission by the Act entitled "An Act to create a Commission to be known as the Corregidor Bataan Memorial Commission", approved August 31, 1953 (67 Stat. 366; 36 U.S.C. 426), are hereby transferred to the American Battle Monuments Commission, established under the Act of March 4, 1923 (42 Stat. 1509; 36 U.S.C. 121), and such authority, functions, and duties shall be assumed by and be the sole responsibility of the American Battle Monuments Commission from and after the date of enactment of this Act.

SEC. 2. All assets, liabilities, contracts, property, records, and personnel of the Corregidor Bataan Memorial Commission, prior to the expiration of such Commission, and any unexpended appropriations, allocations, and other funds available to such Commission (prior to its expiration), are hereby transferred to the American Battle Monuments Commission.

SEC. 3. The authority, functions, and duties transferred under the first section of this Act shall terminate upon completion of the construction authorized by the Act entitled "An Act to create a Commission to be known as the Corregidor Bataan Memorial Commission", approved August 31, 1953 (67 Stat. 366; 36 U.S.C. 426), or on June 30, 1969, whichever shall first occur.

SEC. 4. The provisions of section 3 of the Act of March 4, 1923 (42 Stat. 1509; 36 U.S.C. 121a), shall not apply in the case of any memorial constructed under the authority transferred by the first section of this Act.

The amendment was agreed to.

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

The bill was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 832), explaining the purposes of the bill.

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

PURPOSE

The purpose of H.R. 3399, as proposed to be amended by the committee amendment, is to transfer the authority, functions, and duties of the Corregidor-Bataan Memorial Commission to the American Battle Monuments Commission, together with its assets, liabilities, contracts, property, records, personnel, unexpended appropriations, and allocations.

BACKGROUND AND COMMITTEE RECOMMENDATIONS

The Corregidor-Bataan Memorial Commission was established by Congress in 1953 for the purpose of developing a suitable memorial for the Philippine and American soldiers who lost their lives at Corregidor. Over the years the basic act has been amended for various reasons, among others to provide that the memorial commemorate all Philippine and American citizens who lost their lives anywhere in the Pacific area during World War II. The last amendments adopted by Con-

gress to the basic act were in 1963 (Public Law 240, 88th Cong.). At that time $1,500,000 was authorized to be appropriated for the memorial and termination of the Commission was set at May 6, 1967, or completion of its work, whichever occurred first. When it developed that construction of the memorial would not be completed before May 6, 1967, legislation was introduced and passed by the House and the Senate to extend the termination date of the Corregidor-Bataan Memorial Commission to November 6, 1968. The vote by which the Senate passed H.R. 3399 was reconsidered by the Senate on July 13 and the bill was recommitted to the Committee on Foreign Relations.

Upon further consideration, the committee, on November 30, voted to recommend, in lieu of an extension of authority of the Corregidor-Bataan Memorial Commission, a transfer of all its authority and functions to the American Battle Monuments Commission, an established, permanent organization among whose functions it is to design, construct, and maintain American military cemeteries and memorials located outside the United States and its possessions. Upon that Commission's recommendation, the termination date for these authorities have been set at June 30, 1969.

The title was amended, so as to read: "An act to transfer to the American Battle Monuments Commission all the authority, functions, and duties heretofore conferred upon the Corregidor Bataan Memorial Commission."

## SALE OF LANDS BY THE SECRETARY OF THE INTERIOR

The Senate proceeded to consider the bill (S. 1058) to authorize the Secretary of the Interior to sell lands embraced in certain terminated entries, and for other purposes which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 6, after line 9, insert a new section, as follows:

SEC. 7. Notwithstanding any provision of this Act to the contrary, the Secretary may, prior to the issuance of patent, vacate any sale held pursuant to this Act if he finds that the land, or any portion thereof, included in the sale is needed for Federal program requirements.

So as to make the bill read:

S. 1058

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That for the purpose of this Act—

(a) The word "entry" means or includes (1) a right to acquire title to public lands upon compliance with improvement requirements which may include, but are not limited to, irrigation and cultivation of the lands; (2) an application erroneously allowed embracing withdrawn lands; (3) any uncanceled allowed application even though not in good standing; or (4) any claim to withdrawn land in Alaska based upon settlement, use or occupancy, and purportedly initiated under the public land laws.

(b) The word "entryman" includes, in addition to its usual meaning, qualified assignees where the public land law under which the entry was made authorizes the leasing or assignment thereof.

(c) The term "value added to the land by the entryman or his predecessors in interest" means the increase in market value of the land due to work performed, or improvements made, by such entryman or his predecessors in interest.

(d) The term "good faith" means honest intent and does not necessarily relate to the degree of compliance with statutory or regulatory requirements. With respect to withdrawn land, the term "good faith" also means the exercise of diligent inquiry and efforts leading to a reasonable inference that the land was open and available for appropriation under the particular public law invoked.

(e) The word "Secretary" means the Secretary of the Interior.

SEC. 2. Where the Secretary determines with reference to any pending entry made under the public land laws, other than the mining laws, whether made before or after the effective date of this Act, that—

(a) the entryman has in good faith made an attempt to comply with the law;

(b) there is no reasonable prospect that such entryman will be able to comply with the law to the extent necessary to earn title to the entered land;

(c) the land is proper for disposition under this Act, considering such factors as, but not limited to, Federal program requirements, sound land use and conservation principles and effective management of the public lands; and

(d) in the case of withdrawn land, there has been demonstrated by substantial, positive, and compelling evidence that diligent inquiry was made by the claimant showing that the land in the entry was open and available for appropriation under the particular public land law invoked;

the Secretary is authorized to sell at public auction all or part of the land included in the entry for not less than its current fair market value. No land shall be offered for sale until after termination of the entry and after reasonable public notice. The entryman shall have a preference right to purchase the land by meeting the high bid within ten days after the date of the auction, or such further period as the Secretary may allow.

SEC. 3. (a) The determination of fair market value shall be made by the Secretary through appraisal which shall not include improvements which can be removed without substantial damage to the land; if the improvements cannot be so removed their value shall be separately appraised and added to the appraised value of the land.

(b) If the entryman acquires the land pursuant to the sale, the Secretary shall grant him a reduction in the purchase price for the value, as determined by the Secretary as of the date of the bidding, added to the land by the entryman or his predecessors in interest if such value was included in the appraised price of the land.

(c) If a party other than the entryman acquires the land pursuant to the sale, the Secretary shall compensate the entryman from the purchase price for the value, as determined by the Secretary as of the date of the bidding, added to the land by the entryman or his predecessors in interest if such value was included in the appraised price of the land. The determinations by the Secretary under this subsection and subsection (b) shall be final and not subject to review.

(d) If a party other than the entryman acquires the land pursuant to the sale, the entryman, with the consent of the Secretary, may remove or sell to the party acquiring the land the improvements which (1) were made by the entryman or his predecessors in interest; (2) can be removed without substantial injury to the land; and (3) were not included in the appraised price of the land.

SEC. 4. Where the land has been withdrawn in aid of a function of a Federal department or agency, or of a State, county, municipality, water district, or other local subdivision or agency, the Secretary may dispose of such land only with the consent of the head of the governmental unit concerned and under such terms and conditions as such head may deem necessary.

SEC. 5. Any patent issued under this Act shall contain a reservation to the United States of (a) any of the following-named minerals for which the land is deemed by the Secretary of the Interior to be valuable or prospectively valuable as of the date of issuance of patent: coal, native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried), oil, gas, oil shale, phosphate, sodium, and potassium, and for lands in the States of Louisiana and New Mexico sulfur also; and (b) the right of the United States, its lessees, permittees, or licensees to prospect for, mine, and remove them under applicable provisions of law.

SEC. 6. At least ninety days prior to the sale of any land under this Act, the Secretary shall notify the head of the governing body of the political subdivision or other instrumentality of the State having jurisdiction over comprehensive planning and zoning in the area within which the land is located or, in the absence of such political subdivision or instrumentality, the Governor of the State, in order to afford the appropriate body a reasonable opportunity to take such action as may be necessary to assure that the conveyance of the land, and the provisions thereof, will be consonant with local planning and development needs. If no such action is taken, no disposal of the land shall be made under this Act unless the Secretary determines that such disposal is reasonably consonant with State and local land use and development needs.

SEC. 7. Notwithstanding any provision of this Act to the contrary, the Secretary may, prior to the issuance of patent, vacate any sale held pursuant to this Act if he finds that the land, or any portion thereof, included in the sale is needed for Federal program requirements.

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 833), explaining the purposes of the bill.

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

PURPOSE

Objective of the bill is to mitigate hardship encountered by public land claimants. The bill provides an equitable approach in certain situations where the existing relief laws would not be applicable. For example, from time to time situations arise where entrymen under the homestead or other land laws, lessees under the Small Tract Act, and other persons in good faith expend considerable sums of money in making improvements on public lands, but for one reason or another fail to qualify for patent under the law.

BACKGROUND

Under existing public land practices, an entryman who has placed valuable improvements on his entry is permitted to remove those improvements when the entry is terminated. Where a person has placed improvements on the public lands and the lands are disposed of to another party, the Department of Interior has taken steps to assure that the other person acquiring the land will reimburse the owner of the improvements for the reasonable value thereof which are left on the land and which are of value to the person acquiring the land. However, an

entryman whose entry fails and who has expended money in disking, harrowing, and so forth, thus improving the land, is without recourse. S. 1058 affords relief to him and to others who have expended funds on entries in vain efforts to acquire title thereto.

PROVISIONS

The bill, S. 1058, provides that the Secretary of the Interior may sell at public auction any or all of the land in a terminated entry, made other than under the U.S. mining laws, where he finds that (1) the entryman has made a bona fide effort to meet the requirements of the law to earn patent; (2) there is no reasonable prospect that he will be able to do so; and (3) the land is proper for disposal under the bill, considering such factors as, but not limited to, Federal program requirements, sound land use and conservation principles, and effective management of the public lands. Such sale could be held only after adequate public notice.

If the former entryman becomes a purchaser, he would be entitled to buy the land at his bid price less any value added to the land by the entryman or his predecessors in interest. The entryman would have a preference right to buy the land by meeting the high bid. Any patent issued under the bill would reserve to the United States those minerals which are leasable under the Mineral Leasing Act, for which the Secretary deemed the land to be valuable or prospectively valuable on the date of the issuance of the patent.

AMENDMENT

The committee adopted an amendment recommended by the Interior Department. It would take care of a situation where land might be sold pursuant to the act, but prior to issuance of patent, Federal program requirements might be discovered. The authority to vacate such sale is provided by the following new section:

SEC. 7. Notwithstanding any provision to the contrary, the Secretary may, prior to the issuance of patent, vacate any sale held pursuant to this Act if he finds that the land, or any portion thereof, included in the sale is needed for Federal program requirements."

COMMITTEE RECOMMENDATION

The Senate Interior and Insular Affairs Committee favorably reports S. 1058, and urges its enactment.

## LEASE OF LANDS FOR GRAZING IN ALASKA

The Senate proceeded to consider the bill (S. 1059) to amend the act relating to the leasing of lands in Alaska for grazing in order to make certain improvements in such act which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, after line 16, strike out:

SEC. 7. (a) All leases shall be made by the Secretary for a term of fifty-five years except where the Secretary determines the land may be required for other than grazing purposes prior to the termination of such term; or where the applicant desires a shorter term, and in such cases leases may be made for a shorter term.

And, in lieu thereof, insert:

SEC. 7. (a) A lease may be made for such term as the Secretary deems reasonable, but not to exceed fifty-five years, taking into consideration all factors that are relevant to the exercise of the grazing privileges conferred.

And, on page 3, line 5, after the word "may", strike out "renew" and insert "negotiate for renewal of"; after line 16 strike out:

SEC. 4. Such Act of March 4, 1927, is further amended by inserting at the end thereof a new section as follows:

"SALE OF LAND

"SEC. 17. If the Secretary determines that any land leased pursuant to this Act is not needed for Federal Government purposes, he may upon the termination of such lease sell such land at public auction to the highest bidder except that in any case in which the lessee under such lease is not such highest bidder such lessee shall first be given the opportunity to purchase such land for the amount of such bid. Such sale may be made subject to such conditions and reservations as the Secretary determines are in the public interest."

So as to make the bill read:

S. 1059

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 5 of the Act entitled "An Act to provide for the protection, development, and utilization of the public lands in Alaska by establishing an adequate system for grazing livestock thereon", approved March 4, 1927 (44 Stat. 1452), is amended to read as follows:

"NOTICE OF ESTABLISHMENT AND ALTERATION OF GRAZING RIGHTS

"SEC. 5. Before establishing or altering a district the Secretary shall publish once a week for a period of six consecutive weeks in a newspaper of general circulation in each judicial division in which the district proposed to be established or altered is located, a notice describing the boundaries of the proposed district or the proposed alteration, announcing the date on which he proposes to establish such district or make such alteration and the location and date of hearings required under this section. No such alteration shall be made until after public hearings are held with respect to such alteration in each such judicial division after the publishing of such notice."

SEC. 2. (a) Subsection (a) of section 7 of such Act of March 4, 1927, is amended to read as follows:

"SEC. 7. (a) A lease may be made for such term as the Secretary deems reasonable, but not to exceed fifty-five years, taking into consideration all factors that are relevant to the exercise of the grazing privileges conferred."

(b) Such section 7 is further amended by inserting at the end thereof a new subsection as follows:

"(d) Each lease shall provide that the lessee may negotiate for renewal of such lease, subject to the provisions of this Act, at any time during the final five years of the term of such lease."

SEC. 3. Section 14 of such Act of March 4, 1927, is amended by inserting "(a)" after "SEC. 14" and by inserting at the end of such section a new subsection as follows:

"(b) The Secretary shall take no action which will adversely affect rights under any lease pursuant to this Act until notifying the holder of such lease that such action is proposed and giving such holder an opportunity for a hearing."

The amendments were agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 834), explaining the purposes of the bill.

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

PURPOSE

Objective of the bill, S. 1059, is to encourage and assist in the development of the livestock industry in Alaska. It authorizes a longer term of grazing leases to attract long term financing up to 55 years in place of 20 years.

BACKGROUND

Alaskan livestock ranchers are presently operating under trying conditions peculiar to pioneering a remote and undeveloped country. Although the industry in Alaska dates back to Russian colonial days, it has developed very slowly because of expensive transportation in some areas, the lack of any transportation in others, the high cost of supplemental feeding in the winter, the remoteness of location, the lack of slaughtering and marketing facilities, and, in some areas, the losses to predators. However, since the recent construction of a slaughterhouse on Kodiak Island and the improvement in transportation which has occurred since the introduction of the Alaska State ferry system and related land carrier transportation, ranching in Alaska is becoming economically profitable and a promising area for investment. Grazing land in the moist, grassy climate of the Aleutian chain and in the agricultural regions of the Kenai Peninsula represent a very important resource which it is in the interest of the Nation to develop.

NEED

The committee believes a longer term for grazing leases is necessary to attract long term financing. While there are presently only a few livestock growers in Alaska, some incentive is needed to begin operations and for the industry to expand. Longer term leases would improve chances for long term financing and the amortization of substantial capital investments.

AMENDMENTS

The committee adopted amendments recommended by the Department of Interior to make the 55-year lease term discretionary, changing the "right" to renew to the right to negotiate for renewal, and eliminating section 4, which would have authorized the sale of land leased under the act when no longer needed for Federal purposes.

Although the Department of the Interior said it would have no objection if the bill were amended as above, the Bureau of the Budget and the Office of the Attorney General recommended deferring amending the act pending the report of the Public Land Law Review Commission. The committee believes encouragement of the Alaskan livestock industry to be of greater priority, particularly in view of legislation now pending in the Congress to extend the Public Land Law Review Commission reporting date, and recommends that S. 1059 receive favorable and early action.

## SURFACING OF ACCESS ROAD IN PUTNAM COUNTY, FLA.

The Senate proceeded to consider the bill (S. 1017) to authorize the Secretary of the Army to pay for the cost of surfacing one and eight-tenths miles of a certain access road in Putnam County, Fla., which had been reported from the Committee on Armed Services with an amendment on page 1, line 5, after the word "necessary," insert "presently estimated at $43,000"; so as to make the bill read:

S. 1017

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Army is authorized to pay Putnam County, Florida, such amount as the Secretary determines necessary, presently estimated at $43,000, to cover the cost of hard surfacing approximately one and eight-tenths miles of access road between State Road 19 and Rodeheaver Boys' Ranch located south of Palatka, Florida, the construc-

tion of such road having been made necessary when the former access road to the Rodeheaver Boys' Ranch was permanently cut off as the result of the construction of the Saint Johns lock of the cross-Florida barge canal, a Federal project carried out by the Corps of Engineers, United States Army. The Secretary shall not pay any of the expenses incurred by such county in connection with the subgrading of such access road.

SEC. 2. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 835), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of S. 1017 is to authorize the Secretary of the Army to pay Putnam County, Fla., the cost of the hard surfacing approximately 1.8 miles of access roads between State Road 19 and Rodeheaver Boys' Ranch located south of Palatka, Fla.

The construction of the new access road was made necessary because the former access road to the Rodeheaver Boys' Ranch will be permanently cut off as a result of the construction of the St. Johns lock of the Cross-Florida Barge Canal.

GENERAL STATEMENT

The Cross-Florida Barge Canal was authorized by Public Law 675, 77th Congress, and provides for construction of a high-level lock barge canal from the St. Johns River to the Gulf of Mexico. The project will have a depth of 12 feet and a minimum bottom width of 150 feet with five locks, each 84-feet wide and 600-feet long, two earth dams, and necessary highway and railroad crossings. Length of the project is about 107 miles, extending from the St. Johns River at Palatka to deep water in the Gulf of Mexico near Yankeetown. Construction of the project was initiated in 1964.

The Rodeheaver Boys' Ranch is a privately endowed institution organized for the purpose of caring for destitute homeless boys. It is operated by a board of directors of 30 men, 10 of whom are elected each year for a 3-year term. The ranch was founded in 1951 by the late Homer Rodeheaver, a Methodist evangelical singer. He donated 800 acres of land on the St. Johns River, 10 miles south of Palatka for the location and home for the boys' ranch. The capacity of the ranch is 40 boys and since it was founded, boys from 21 States have been admitted to the home.

Access to the Rodeheaver Boys' Ranch is presently by means of a county road which passes over the Cross-Florida Barge Canal in the vicinity of the St. Johns lock site. The land on which the road is situated was originally owned by the Canal Authority of the State of Florida, the local sponsoring interest for the canal project. This land has now been deeded to the Federal Government by the canal authority for construction of the St. Johns lock of the canal.

At the time the road was constructed by Putnam County it obtained a revocable easement from the canal authority to cross the land owned by that agency. Because of the nature of the interest held by the county, it had no compensable property interest which would entitle it to compensation for its loss of the road, and the Federal Government is not able to pay for the cost of providing a substitute road as part of its legal obligation to provide substitute facilities.

In order to assist the county in providing access to the Rodeheaver Boys' Ranch the Canal Authority of the State of Florida granted an easement to the county for a relocated road. This easement parallels the canal alinement along its south bank, extending a distance of about $1\frac{5}{10}$ miles from State road No. 19 to its intersection with the remaining portion of the original access road. The Corps of Engineers has made available spoil material from the canal excavation for construction of a road embankment. This embankment has been completed, but remains unpaved.

ESTIMATED COST TO THE UNITED STATES IF LEGISLATION IS ENACTED

Enactment of this legislation will result in a cost to the Federal Government of an estimated $43,000.

## AMENDMENT OF THE INTERNATIONAL CLAIMS SETTLEMENT ACT

The Senate proceeded to consider the bill (H.R. 9063) to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals, and for other purposes which had been reported from the Committee on Foreign Relations, with amendments on page 2, line 22, after "(1)" strike out "If" and insert "if"; on page 3, line 5, after the word "estates" strike out the period; on page 5, after line 14, insert:

(b) The Commission shall receive and determine, or redetermine as the case may be, in accordance with applicable substantive law, including international law, the validity and amounts of claims owned by persons who were nationals of the United States on August 9, 1955, which arose out of the war in which Italy was engaged from June 10, 1940, to September 15, 1947, and with respect to which provision was not made in the treaty of peace with Italy: *Provided*, That no awards shall be made to persons who have received compensation in any amount pursuant to subsection (a) of this section or under section 202 of the War Claims Act of 1948, as amended, or to persons whose claims have been denied by the Commission for reasons other than that they were not filed within the time prescribed by section 306.

On page 6, at the beginning of line 5, strike out "(b)" and insert "(c)"; at the beginning of line 18, strike out "(c)" and insert "(d)"; in line 22, after the word "under" strike out "subsection" and insert "subsections" and in the same line, after "(b)" insert "and (c)"; on page 7, at the beginning of line 3, strike out "(d)" and insert "(e)"; in line 4, after the word "to", strike out "subsection" and insert "subsections"; and in the same line, after "(b)", insert "and (c)"; at the beginning of line 10, strike out "(e)" and insert "(f)"; in line 12, after the word "and", strike out "(d)" and insert "(e)"; on page 8, line 25, strike out "subsection" and insert "subsections" and in the same after "(b)", insert "and (c)"; on page 9, after the word "and", strike out "subsection" and insert "subsections"; and in line 6, after "(b)", insert "and (c)".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 836), explaining the purposes of the bill.

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

MAIN PURPOSE OF BILL

H.R. 9063 is similar to certain provisions in more comprehensive bills requested by the administration and passed by the Senate during previous Congresses. Its main purpose is to provide for the disposition of funds received under the terms of claims settlement agreements concluded with the Governments of Bulgaria, Rumania, and Yugoslavia, and to reopen the Italian claims program in order to pay claims of American nationals not previously compensable. In addition, the bill contains several housekeeping provisions which the Foreign Claims Settlement Commission feels are desirable on the basis of past experience.

BACKGROUND OF CLAIMS PROGRAMS COVERED BY H.R. 9063

Set forth below are statistics and background information regarding the various claims programs covered by the pending bill.

*1. Yugoslav claims program*

Statutory authority: Title I of the International Claims Settlement Act of 1949 (Public Law 81–455, approved March 10, 1950).

Type of claims: Nationalization or other taking.

Dates of taking or loss: 1939 to 1948.

Filing period: June 30 to December 30, 1951.

Number of claims: 1,556.

Amount asserted: $149,344,249.70.

Number of awards: 876.

Amount of awards: $18,817,904.89.

Amount of fund: $17,000,000.

Amount paid on awards: Approximately 91 percent.

Program completed: December 31, 1954.

*Background.*—Historically, the first post-World War II lump-sum claims settlement agreement entered into by the United States was that with Yugoslavia which was signed on July 19, 1948. Under its terms, Yugoslavia agreed to pay the United States $17 million as full settlement and discharge of all claims of U.S. nationals "on account of the nationalization and other taking by Yugoslavia of property and of rights and interests in and with respect to property," which occurred between September 1, 1939, and the date of the agreement. In return the United States agreed to release approximately $47 million in blocked assets (including $42 million in gold bullion) being held by the Federal Reserve Bank of New York. The agreement also defined "nationals" and provided for the establishment of an agency by the United States to adjudicate claims (International Claims Commission). Yugoslavia was allowed to file briefs as amicus curiae, and the determinations of the adjudicating agency with respect to the validity and the amounts of claims were to be "final and binding." The funds were to be distributed in accordance with methods adopted by the United States, and if any excess remained it was to be returned to Yugoslavia.

The Commission completed the processing of claims under this program on December 31, 1954. However, the actual distribution of awards by the Treasury Department was held in abeyance because of litigation until March 31, 1956, when the U.S. Court of Appeals (District of Columbia) held that the Commission's decisions on the validity and amounts of claims were final and conclusive and not subject to judicial review.

Another claims agreement with Yugoslavia was signed on November 5, 1964. (See appendix.) The claims covered by the agreement arose out of nationalization and other taking by Yugoslavia of property of American nationals subsequent to July 19, 1948, the

date of the first claims agreement with Yugoslavia. Pursuant to the terms of the 1964 agreement. Yugoslavia is to pay the sum of $3,500,000 in five annual installments of $700,000 each, beginning on January 1, 1966. Thus for, $1,400,000 has been received.

At the time the 1964 agreement was signed there was an exchange of notes in which Yugoslavia indicated it intended to compensate persons who were not U.S. nationals when their property was taken. It is understood that these individuals will be required to file their claims with the local government in Yugoslavia where their property was located at the time it was nationalized or otherwise taken.

*2. Bulgarian and Rumanian Claims Programs*

*Background.*—Pursuant to the authority contained in Executive Order 8389, issued on April 10, 1940, the United States blocked the assets of the Governments and nationals of Rumania (on October 1, 1940) and Bulgaria (on March 4, 1941). After World War II, in the peace treaties of February 10, 1947, these Governments undertook to restore American-owned property in their respective countries or else provide compensation to the extent of two-thirds of the war damage suffered by such property. These undertakings were not honored; nor were American owners compensated for property which was nationalized or otherwise taken subsequent to the date of the treaties.

Under the terms of the peace treaties, it was provided that assets in the United States belonging to Bulgaria and Rumania or their nationals might be seized and liquidated and the proceeds used to satisfy the claims of American citizens against those Governments. Accordingly, title II of the International Claims Settlement Act of 1949 (approved Aug. 9, 1955) was enacted to authorize the vesting of assets in the United States owned by Bulgaria and Rumania and their nationals, other than natural persons. The exclusion of the latter category follows the American principle that the property of private individuals should not be used for the payment of debts arising out of acts of foreign governments. However, the proceeds from the liquidation of the other vested assets were transferred to special funds in the Treasury and used to pay compensation to qualified American claimants against the Governments of Bulgaria and Rumania.

Title III of the International Claims Settlement Act of 1949, also approved on August 9, 1955, contains certain administrative and general provisions relating to the Bulgarian and Rumanian claims programs. Additional information regarding these programs, both of which were completed on August 9, 1959, is set forth below.

BULGARIA

Statutory authority: Title III of the International Claims Settlement Act of 1949 (Public Law 89–285, approved August 9, 1955).

Type of claims: Nationalization and war damage.

Dates of taking or loss: War damage, 1939–45; nationalization, 1945–55.

Filing period: September 30, 1955, to October 1, 1956.

Number of claims: 391.

Amount asserted: $25,455,927.

Number of awards: 217.

Amount of awards: Principal, $4,684,187; interest, $1,887,638.

Amount of fund: $2,613,325.

Amount paid on awards: Approximately 50 percent.

Program completed: August 9, 1959.

On July 2, 1963, the United States entered into an agreement whereby Bulgaria agreed to pay an additional $400,000 (which was paid in two equal installments of $200,000 each on July 1, 1964, and July 1, 1965) as final settlement of total U.S. claims against the Government of Bulgaria.

RUMANIA

Statutory authority: Title III of the International Claims Settlement Act of 1949 (Public Law 84–285, approved Aug. 9, 1955).

Type of claims: Nationalization and war damage.

Dates of taking or loss: War damage, 1939–45; nationalization, 1945–55.

Filing period: September 30, 1955, to October 1, 1956.

Number of claims: 1,073.

Amount asserted: $259,742,036.

Number of awards: 498.

Amount of awards: Principal, $60,011,348; interest, $24,717,943.

Amount of fund: $20,057,346.

Amount paid on awards: Approximately 30 percent.

Program completed: August 9, 1959.

Under the terms of an agreement dated March 30, 1960, Rumania agreed to pay the United States an additional $2.5 million (payable in five installments of $500,000 each beginning July 1, 1960) as final settlement of total claims against Rumania. All of the money due pursuant to this agreement has been received by the U.S. Treasury.

*3. Italian claims program*

Statutory authority: Title III of the International Claims Settlement Act 1949 (Public Law 84–285, approved Aug. 9, 1955, and Public Law 85–604, approved Aug. 8, 1958).

Type of claims: War damage.

Date of loss: 1939 to 1947.

Filing period: September 30, 1955, to October 1, 1956.

Number of claims: 2,246.

Amount asserted: $27,412,985.

Number of awards: 482.

Amount of awards: Principal, $2,730,146; interest, $929,165.

Amount of fund: $5,000,000.

Amount paid on awards: 100 percent.

Program completed: May 31, 1960.

*Background.*—The Italian claims fund consisted of $5 million which was paid to the United States by Italy in accordance with the terms of the Lombardo Agreement of August 14, 1947. This agreement resulted from negotiation for the return of approximately $60 million of Italian assets which had been vested or blocked by the United States during World War II.

The purpose of the money in the Italian claims fund was, in general, to compensate claimants for losses relating to property located outside of Italy and attributable to Italian military action (e.g., losses on the high seas, in Greece, Yugoslavia, and other areas in which Italy engaged in military action), and certain personal injury and similar nonproperty losses which arose in Italy. Claims for losses relating to property located in Italy itself were provided for in the Italian Peace Treaty of September 15, 1947.

The money in the Italian claims fund was sufficient to pay all eligible claimants 100 cents on the dollar, and after the program was completed on May 31, 1960, there remained an unobligated balance of $1,088,623.53. Since the Lombardo Agreement did not contain a reverter clause, this balance was retained by the United States, and, ordinarily, would be deposited in the miscellaneous receipts account of the Treasury. Pursuant to the provisions of H.R. 9063, however, the Italian claims program will be reopened and extended to cover certain claims not previously compensable, and any balance remaining will be transferred to the War Claims Fund established by the War Claims Act of 1948, as amended.

RULE OF LAW REGARDING ELIGIBILITY OF CLAIMANTS

In adjudicating claims under the above program, the Foreign Claims Settlement Commission is directed to apply, with respect to claims under title I, the "provisions of the applicable claims agreement" and the "applicable principles of international law, justice, and equity," and with respect to claims under titles III and IV, "applicable substantive law, including international law." In this connection, one of the principles adopted by the Commission deals with the eligibility requirements of a natural person to file a valid claim against another government. The Commission has adhered to the familiar rule of international law that, in order to be eligible to receive an award under the programs over which it has jurisdiction the claimant must show that his claim was owned by a national or nationals of the United States (not necessarily the same national or nationals) from the time it arose until the date of filing with the Commission.

It should be noted that this principle was consistently followed by the Committee on Foreign Relations in reporting legislation establishing the claims funds mentioned above. The only time the committee deviated from this principle was in 1958, when it approved an amendment relating to the Italian claims fund. The justification for making an exception in that case is explained in the following excerpts from the committee report (S. Rept. No. 1794, 85th Cong., 2d sess.):

"The committee has added a new section to S. 3557 which has the effect of modifying section 304 of the International Claims Settlement Act, as regards claimants against the Italian Claims Fund. As the committee has already noted, the existing practice in claims legislation, and one which the committee endorses, limits claims to those based upon American ownership of a property at the time of loss and continuously thereafter until the time of the filing of the claim. This practice is essential if those who clearly have first claim, as far as the United States is concerned, to the limited funds available are to be compensated for their losses. Further, it should be noted in this connection that the claims of Americans who became citizens after their loss occurred usually are still valid against the responsible foreign government.

"However, a special situation has arisen as regards the Italian Claims Funds. In this instance, under the Lombardo Agreement the Italian Government made a lump-sum settlement with the United States Government for the outstanding claims of American citizens. It now appears that the Italian fund will be more than adequate to reimburse all claimants 100 cents on the dollar for losses of property which was American-owned at the time of loss and continuously thereafter.

"At the same time, however, there are some Americans who were not citizens at the time of loss of their property, and, hence, in accordance with the general practice are not eligible to file valid claims against the Italian Claims Fund. But these citizens are also estopped from pressing their claims against Italy because of the terms of the Lombardo Agreement. They are, in short, left at the present time without legal remedy.

"In these circumstances, the committee has made provision for their claims to be considered as against the Italian Claims Fund, only, however, if after all valid claimants against Italy who were citizens at the time of loss have been fully reimbursed, some money remains in this fund. There is no cost involved in this procedure to the United States. Nor does the procedure do violence to the priority of right which as a matter of general practice should be maintained for those who were citizens at the time of loss."

COMMITTEE ACTION AND RECOMMENDATION

The Committee on Foreign Relations considered H.R. 9063 in executive session on November 30, 1967, and ordered it reported favorably with amendments. At that time, the committee received testimony in support of the bill from Mr. Edward D. Re, the Chairman of the Foreign Claims Settlement Commission. His statement is reproduced in the

appendix to this report. In this connection, however, the committee wishes to point out that a public hearing on a similar bill (S. 1935) was held during the 89th Congress (on August 5, 1965).

The main committee amendment restores one provision of H.R. 9063 which was proposed by the administration but rejected by the House. That provision would require the Foreign Claims Settlement Commission to receive and determine the validity and amounts of claims of persons who were American nationals on August 9, 1955 (which arose out of the war with Italy from June 10, 1940, to September 15, 1947), and with respect to which provision was not made in the treaty of peace with Italy.

The effect of this provision is simple—it would permit certain individuals who failed to file their claims during the periods specified to do so after H.R. 9063 becomes law. It does not, however, have the effect of creating a new class of claimants or extending further the eligibility requirements which are prescribed by international law.

As was pointed out previously, the Government of Yugoslavia has already made payments amounting to $1,400,000 pursuant to the terms of a claims settlement agreement signed on November 5, 1964. In addition, under the terms of claims settlement agreements concluded with Bulgaria (on July 2, 1963) and Rumania (on March 30, 1960), those countries have completed payments in the amounts of $400,000 and $2,500,000, respectively. H.R. 9063 will permit the Foreign Claims Settlement Commission to proceed with the orderly administration of these programs at no cost to the U.S. Government, since provision is made for a 5-percent deduction from each claims fund to cover administrative costs. It is recommended, therefore, that the Senate approve it without delay.

## KINGS RIVER WATER ASSOCIATION

The Senate proceeded to consider the bill (S. 2402) to provide for credit to the Kings River Water Association and others from excess payments for the years 1954 and 1955 which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 3, after the word "Interior", strike out "is authorized to" and insert "shall"; on page 2, line 1, after the word "amount", strike out "not to exceed $1,098,579.92" and insert "of $1,098,597.92"; and at the beginning of line 5, insert "Such amount shall be credited to the total repayment obligation and not to the annual installments thereof"; so as to make the bill read:

S. 2402

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior shall credit outstanding obligations of all members of the Kings River Water Association incurred pursuant to the master agreement among the members and the association and the United States dated December 30, 1963, and the Alta Irrigation District, Consolidated Irrigation District, Fresno Irrigation District, Kings River Water District and Tulare Lake Canal Company pursuant to agreements dated December 23, 1963, in a total amount of $1,098,597.92 representing excess payments over their share of the operation and maintenance charges of Pine Flat Reservoir, Kings River, California, during the years 1954 and 1955. Such amount shall be credited to the total repayment obligation and not to the annual installments thereof.

The amendments were agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 837), explaining the purposes of the bill.

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

PURPOSE OF BILL

Purpose of S. 2402 is to give the Secretary of the Interior authority to do equity to a group of citizens who were overcharged for water conservation storage. The Secretary, with the backing of the Comptroller General, asserts that he does not have such authority under existing law.

Specifically, the bill directs the Secretary to credit outstanding obligations of all members of the Kings River Water Association incurred pursuant to the master agreement among the members and the association and the United States dated December 30, 1963, and the Alta Irrigation District, Consolidated Irrigation District, Fresno Irrigation District, Kings River Water District, and Tulare Lake Canal Co. pursuant to agreements dated December 23, 1963, in a total amount of $1,098,597.92, representing excess payments over their share of the operation and maintenance charges of Pine Flat Reservoir, Kings River, Calif., during the years 1954 and 1955.

BACKGROUND OF PROPOSED LEGISLATION

The Pine Flat project was authorized substantially in accordance with House Document 630, 76th Congress, third session, and the repayment obligations for conservation storage use was directed to be determined between the War Department, the Bureau of Reclamation, and the local organizations (Flood Control Act of 1944, sec. 10, Public Law 534, 78th Cong., second Sess.; 58 Stat. 887).

Later, in House Document 136, 80th Congress, first session (the report of the Secretary of War made in compliance with the provisions of the War Department Civil Appropriations Act of 1947), the final recommendation, which was concurred in by the Secretary of the Interior, was that the cost to irrigation should be set at an amount "not to exceed $14,250,000." The members of the Kings River Water Association, the "local organizations" referred to in section 10 of the Flood Control Act of 1944, subsequently agreed to the total repayment obligation in that maximum sum.

An interim storage use contract was entered into on February 4, 1954, between the Bureau of Reclamation and the association. The interim contract provided for the storage and release of water at an arbitrary rate of $1.50 per acre-foot of water during the 1953–54 runoff season and by its terms expired on December 31, 1954. Since a permanent repayment contract had not yet been executed, the term of the interim use contract was extended on December 31, 1954, for another year. The amount of $1,098,597.92 represents payments made by the district during 1954 and 1955 which were in excess of the operation and maintenance costs for those years.

The interim contracts for 1956 and later years contained a provision for a credit of excess payments for those years against the repayment obligation of Kings River in the event of execution of a final contract. Since at least June 1955, the Kings River Water Association has asserted vigorously that it should receive credit for the 1954–55 excess payments as well.

Permanent contracts were entered into in December 1963. Whatever rights Kings River had relative to the 1954–55 payments were preserved by provisions included in the permanent contracts which contain the language: "but nothing herein contained shall be deemed or construed to prejudice any right or rights of the contractor and other members of the Kings River Water Association, or of said Kings River Water Association, or of the Kings River Conservation District, and the right is reserved to seek credit for payments made to the United States pursuant to said contract No. 14–06–200–2365 and amendments thereto, during the years 1954 and 1955, through and by means of an appropriate act of Congress, or in any other manner."

CONSERVATION STORAGE CONTRACTS AUTHORIZED

The committee believes that section 10 of the Flood Control Act of 1944 is applicable with respect to the issue. The section provides:

"That the Secretary of War shall make arrangements for payment to the United States by the State or other responsible agency, either in lump sum or annual installments, for conservation storage when used."

Pursuant to directives contained in the War Department Civil Appropriations Act of 1947, the total repayment obligation on Kings River was fixed at an amount not to exceed $14,250,000. The Secretary of the Interior was not "delivering water" and, in fact, did not even have a project. The Kings River people owned the water and the Corps of Engineers constructed and operated dam and reservoir. The Department of the Interior was merely the contracting agency for the United States; and the interim contract was not for the sale or delivery of water, but instead was for the use of conservation storage space. Regardless of whether reclamation law does apply to Kings River—an issue on which the committee is taking no position at this time—the authority to contract is specifically derived from section 10 of the Flood Control Act of 1944, and the interim contract was merely a part of the contract arrangements whereby the United States would ultimately recover the repayment obligation which previously had been fixed pursuant to congressional directive.

The Secretary of the Interior has determined that there is no authority of law which permits him to give credit for the years 1954 and 1955 for payments in excess of actual operation and maintenance costs. The record shows clearly that prior to the execution of the interim contracts in question, the Department of the Army and the Department of the Interior had agreed that the irrigation allocation chargeable to the water users should not exceed $14,250,000. Without the credit provided for in this bill, the water users would be required to repay not the agreed sum of $14,250,000 but an amount of $15,348,597.92. This was not contemplated by either the Government or the water users and would be an unjust enrichment to the United States.

By the passage of this bill, the Secretary of the Interior will be directed to make the credits which equity demands. There will be no expenditure of Government funds nor a refund to the water users but merely a credit on the books of the Department of the Interior so that with the eventual payment of the repayment obligation, there will not be an overpayment by the several water districts of the Kings River Water Association.

THE COMMITTEE AMENDMENTS

The committee adopted the amendments to S. 2402 recommended by the Department of the Interior. They are explained in the text of Interior's report, which is set forth in full below.

COST

As stated above, no appropriation of Federal funds is authorized nor contemplated by S. 2402. There will not even be a refund of the 13-year-old overcharges. Rather, the adjustment will be made by bookkeeping credits.

## INDUSTRIAL SAFETY IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H.R. 11638) to amend title II of the Act of September 9, 1918, relating to industrial safety in the District of Columbia which had been reported from the Committee on the District of Columbia, with amendments, on page 2, after line 6, strike out:

(3) Section 6 of such title (D.C. Code, sec. 36–436) is amended by striking out ": *Provided, however,* That the Board" and inserting in lieu thereof the following: ". Any decision of the Board denying a variation from any such rule or regulation may be made only after the Board has afforded the employer requesting such variation a reasonable opportunity for a public hearing. Such decision shall be subject to review by the District of Columbia Court of Appeals under section 11–742 of title 11 of the District of Columbia Code. The Board".

And, in lieu thereof, insert:

(3) Section 6 of such title (D.C. Code, sec. 36–436) is amended to read as follows: "The Board may, upon written application of any employer affected by such rule or regulation, permit variations from any provisions thereof if it shall find that the application of such provision would result in unnecessary hardship or practical difficulty, and notwithstanding such variance that the protection afforded by such rule or regulation will be provided. The Board may grant a hearing open to the public on such application upon request of the applicant or other interested party or parties, or on its own initiative. The Board's decision thereon shall be subject to review by the District of Columbia Court of Appeals upon petition of the applicant or other affected party or parties. The Board shall keep a properly indexed record of all variations permitted from any rule or regulation which shall be open to public inspection."

On page 3, line 15, after the word "days.", insert "No forfeiture of collateral shall be permitted in any case involving a death at a place of employment or the loss of any member of the body, including loss of eyesight, or an injury which prevents an employee from pursuing his employment for a period of at least five days."; and on page 4, after line 6, strike out:

(11) decisions of the Minimum Wage and Industrial Safety Board made under section 36–436 denying a request for a variation from a rule or regulation of that Board.

And, in lieu thereof, insert:

(11) decisions of the Minimum Wage and Industrial Safety Board pursuant to section 36–436.

The amendment was agreed to.

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

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 838), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of H.R. 11638 is to provide for a more general application of the rules and regulations of the safety code of the District of Columbia for the protection of employees in places of employment.

Industrial safety provisions of existing law were added to the minimum wage act by the act of October 14, 1941 (55 Stat. 738; D.C. Code 36–431, et seq.). Following this enactment, the law was construed to apply safety standards in places of employment in the District of Columbia except in the Federal and the District of Columbia Government establishments. The act was interpreted to give the Industrial Safety Board the power to establish reasonable standards of safety for the protection of life and health of employees, to conduct inspections and investigations, to enforce reasonable standards, and to cite employers for any violations of provisions of the act or for violation of rules and regulations.

From the date of enactment until 1964, the provisions of the act were interpreted as applying generally to places of private employment in the District of Columbia. However, in 1964 the Corporation Counsel of the District of Columbia rendered an opinion which limited the application of the provisions of the act to the regulation of safety conditions in "industrial" places of employment, such as manufacturing plants and building construction.

The amendments proposed in H.R. 11638 are designed to restore the general application of safety rules and regulations and the jurisdiction of the Industrial Safety Board to enforce the safety code generally in places of private employment in the District of Columbia.

LIMITATIONS OF THE PRESENT LAW

Because of the interpretation placed on existing law by the Corporation Counsel in 1964, the great majority of employees in the District do not receive the benefit of the reasonable rules and regulations relating to safety in their places of employment. It is estimated that only approximately 16 percent of all such privately employed persons are now covered by provisions of the Industrial Safety Act. More than 100,000 employees engaged in employment in hotels, restaurants, retail establishments and in offices are now excluded from any coverage or protection under the safety code.

PROVISIONS OF THE BILL AND COMMITTEE AMENDMENTS

The bill, H.R. 11638, amends the existing law by striking out the term "industrial" in the definitions carried in the present law so as to make the provisions of the act apply generally to all usual places of private employment. The bill also provides that safety standards, rules, and regulations apply without limitation to changes in the permanent or temporary features of places of employment. This is necessary, since buildings which may have been altered or may have had additions or which may have only temporary provisions made for use by employees should be covered by the act. Employees located in such circumstances should receive equal safety protection.

The bill also amends the provisions of existing law relating to applications filed by an employer for a variation from a provision of the safety code rules and regulations. In the application of the safety code, the Industrial Safety Board regulations may be such as to indicate a violation of the regulations in the strict sense of the safety code. Occasionally, such strict application actually accomplishes little or nothing insofar as employee safety is concerned and may work a substantial hardship upon the employer. In such situation, the Board, on application from the employer, may grant a variance relieving the employer from strict application of the rules and regulations.

When the Board receives such an application from an employer, the Board has the discretion to hold a hearing if it so desires. However, the employer is not entitled, as a matter of right, to any hearing before the Board for the purpose of presenting his case. As passed by the House of Representatives, the bill provides that in the event an application for variance is made by an employer, and before the Board denies such application, it must hold a public hearing at which the employer may present his case. In the event of an adverse decision by the Board, the employer may appeal the decision of the Board to the District of Columbia Court of Appeals.

As amended by the committee, the bill permits the Board to grant variances when it finds that the protection of the rule or regulation involved will continue to be provided. The amended bill provides that when such an application for variance is filed the Board may grant a hearing open to the public upon the request of the applicant or other interested party, or on its own initiative. The committee amendment is intended to afford not only employers, but employees, employee representatives, and others who may be affected by the requested variance an opportunity to be heard should the Board grant a hearing.

The committee understands that the number of variances applied for by employers is relatively limited and believes that such provision for a public hearing would not place any undue burden upon the Board.

Also, as passed by the House, the bill's provision for court review of Board orders respecting requested variances relates only to orders denying an application. As amended by the committee, a Board order granting a variance would be appealable as well.

The bill provides for increased penalties for violation of the safety code regulations. Under present law, the penalties provided for violation are a fine of not more than $300 or imprisonment not exceeding 90 days. Under the bill the penalties for violation would be increased to a fine of not less than $100 nor more than $1,000 or by imprisonment of not more than 90 days.

In addition, as amended by the committee, the bill prohibits the forfeiture of collateral when a violation of the Board's safety regulations has been charged and the case involves a death at a place of employment or the loss of any member of the body, including loss of eyesight, or an injury which prevents an employee from pursuing his employment for a period of at least 5 days.

HEARING

The Subcommittee on Public Health, Education, Welfare, and Safety held a hearing March 10, 1967, on S. 1168, a bill closely similar in purpose to H.R. 11638. The Greater Washington Central Labor Council, the Retail Store Employees Union, and the Hotel & Restaurant Employees & Bartenders International Union expressed support for the legislation.

The favorable recommendations of the Board of Commissioners of the District of Columbia were presented to the committee by the Office of the Corporation Counsel. The Director of Industrial Safety of the District of Columbia, and the Deputy Director of the Office of Occupational Safety, Bureau of Labor Standards, U.S. Department of Labor, testified in support of the legislation.

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## MEDICAL ASSISTANCE FOR THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H.R. 10964) to enable the District of Columbia to receive Federal financial assistance under title XIX of the Social Security Act for a medical assistance program, and for other purposes, which had been reported from the Committee on the District of Columbia, with an

amendment, strike out all after the enacting clause and insert:

That (a) the Commissioner of the District of Columbia (hereafter in this Act referred to as the "Commissioner") may submit under title XIX of the Social Security Act to the Secretary of Health, Education, and Welfare (hereafter in this Act referred to as the "Secretary") a plan for medical assistance (and any modifications of such plan) to enable the District of Columbia to receive Federal financial assistance under such title for a medical assistance program established by the Commissioner under such plan.

(b)(1) Notwithstanding any other provision of law, the Commissioner may take such action as may be necessary to submit such plan to the Secretary and to establish and carry out such medical assistance program, except that in prescribing the standards for determining eligibility for and the extent of medical assistance under the District of Columbia's plan for medical assistance, the Commissioner may not (except to the extent required by title XIX of the Social Security Act)—

(A) prescribe maximum income levels for recipients of medical assistance under such plan which exceed (i) the title XIX maximum income levels if such levels are in effect, or (ii) the Commissioner's maximum income levels for the local medical assistance program if there are no title XIX maximum income levels in effect; or

(B) prescribe criteria which would permit an individual or family to be eligible for such assistance if such individual or family would be ineligible, solely by reason of his or its resources, for medical assistance both under the plan of the State of Maryland approved under title XIX of the Social Security Act and under the plan of the State of Virginia approved under such title.

(2) For purposes of subparagraph (A) of paragraph (1) of this subsection—

(A) the term "title XIX maximum income levels" means any maximum income levels which may be specified by title XIX of the Social Security Act for recipients of medical assistance under State plans approved under that title;

(B) the term "the Commissioner's maximum income levels for the local medical assistance program" means the maximum income levels prescribed for recipients of medical assistance under the District of Columbia's medical assistance program in effect in the fiscal year ending June 30, 1967; and

(C) during any of the first four calendar quarters in which medical assistance is provided under such plan there shall be deemed to be no title XIX maximum income levels in effect during such quarter are higher than the Commissioner's maximum income levels for the local medical assistance program.

SEC. 2. The Commissioner may enter into an agreement (and any modifications of such agreement) with the Secretary under section 1843 of the Social Security Act pursuant to which (1) eligible individuals (as defined in section 1836 of the Social Security Act) who are eligible to receive medical assistance under the District of Columbia's plan for medical assistance approved under title XIX of the Social Security Act will be enrolled in the supplementary medical insurance program established under part B of title XVIII of the Social Security Act, and (2) provisions will be made for payment of the monthly premiums of such individuals for such program.

The amendment was agreed to.

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

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 839), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of H.R. 10964 is to authorize the government of the District of Columbia to take such action as may be necessary or required to furnish medical assistance to eligible residents of the District of Columbia under the medicaid program established by title XIX of the Social Security Act, as added by the Social Security Amendments of 1965 (79 Stat. 286; Public Law 89–97), and to permit publicly owned District of Columbia hospitals and other medical facilities to provide health and medical care and services to eligible aged individuals under the hospital insurance benefits program and supplementary medical insurance benefits program established by title XVIII of such act. Such programs would be conducted in the District within the limits set forth in the bill, pursuant to regulations issued and policy and procedural guidelines established by the Secretary of Health, Education, and Welfare.

In brief, this bill permits the District of Columbia to participate, as do the States, in the nationwide medicaid program.

The Subcommittee on Public Health, Education, Welfare, and Safety conducted a public hearing on H.R. 10964 and S. 1424 on September 20, 1967.

BACKGROUND

The Social Security Amendments of 1965 (approved July 30, 1965, Public Law 89–97; 79 Stat. 286) contain health legislation which has a very significant impact on the District of Columbia government and particularly upon its Department of Public Health. The law makes it possible to greatly broaden the scope and to improve the quality of the health and medical services which are available to individuals in the District, particularly to those persons whose ability to obtain adequate medical care is impeded by the inadequacy of their finances.

Specifically, the District of Columbia will be entitled under an approved program to Federal reimbursement of 50 percent of the cost of medical and health services to persons who come within the eligibility provisions of title XIX of the Social Security Act, as amended.

Since the enactment in 1965 of these amendments to the Social Security Act, 33 States and three territories have enacted legislation and adopted medical assistance plans to implement title XIX of that act in their jurisdictions. These States and territories are the following:

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|---|---|
| *California | Nebraska |
| *Connecticut | †New Mexico |
| Delaware | *New York |
| †Georgia | North Dakota |
| Guam | †Ohio |
| Hawaii | Oklahoma |
| †Idaho | *Pennsylvania |
| *Illinois | *Rhode Island |
| *Iowa | †South Dakota |
| *Kansas | †Texas |
| *Kentucky | Utah |
| †Louisiana | †Vermont |
| †Maine | Washington |
| Maryland | †West Virginia |
| *Massachusetts | *Wisconsin |
| *Michigan | †Wyoming |
| Minnesota | Puerto Rico |
| †Montana | *Virgin Islands |

The 13 States above marked with an asterisk have established income eligibility levels higher than the $3,360 (for a family of four) level for the District of Columbia. All the remainder established lower levels. The 12 States marked with a "†" do not include the "medically needy" and thus limit their participation to cash assistance recipients.

NEED FOR THE LEGISLATION

At public hearings conducted on September 20, 1967, your committee was advised that the medical assistance program as presently operated by the District of Columbia Department of Public Health for the people of the District of Columbia, although quite extensive, has long left much to be desired in both the efficacy and the economy of its operation.

A spokesman for the Health Department testified that although some 161,000 persons in the District are eligible for medical care at public expense under the Department's existing programs, a total potential population of nearly 260,000 must be cared for at the District's expense if and when they require medical care, with some 100,000 of these being treated only as "medical emergencies."

Most such emergency patients are brought to District of Columbia General Hospital for treatment and care. These "medical emergencies" at best have only marginal ability to finance their own medical expense. While they are above the established income level, the vast majority of them actually cannot afford to pay for the medical services they receive. Moreover, because of the fact that their illnesses are not treated until they become emergencies, their hospital stays are longer and more expensive than the average, and many of these persons find their way to the welfare rolls either during or after their illness. Furthermore, this places a heavy burden on the facilities of District of Columbia General Hospital.

This highly unsatisfactory situation may be remedied in part, your committee believes, by the enactment of H.R. 10964, which would establish a system of Federal reimbursement under which patients may go to the private physicians of their own choice for care, and the Health Department will then pay the bill according to a previously negotiated rate.

SCOPE AND REIMBURSEMENT ESTIMATES

It is estimated that under the provisions of this bill, approximately 179,200 persons in the District of Columbia will be eligible under the District's medical assistance programs, of whom some 105,600 will be covered by Federal title XIX reimbursement. Of this total of 179,200 persons eligible, 61,300 will be under the age of 21, 91,100 aged 21 through 64, and the remainder of 26,800 will be 65 years of age or older. The Health Department informed your committee that they estimate a continuing necessity to provide "emergency" medical care to a total additional target population of some 79,200 persons.

The total District of Columbia medical assistance program for 1968 is estimated to cost $33.5 million, of which $2.2 million is reimbursed from Federal funds, leaving a net cost to the city of $31.3 million. Under the title XIX program, if the District of Columbia's medical assistance program financial eligibility levels are maintained at approximately their present level, it is estimated that the Federal reimbursement will be approximately $8.6 million annually, or about one-fifth of the total cost.

Your committee is also advised that emergency care, which the Deaprtment must continue to provide to persons not financially eligible under the proposed title XIX program, but unable to finance their care, will cost an additional $6 million. This cost must be borne by District funds and is not subject to title XIX reimbursement.

As indicated above, some adjustments to the existing income eligibility levels may be required in order to obtain approval of a title XIX program from the Department of Health, Education, and Welfare. The committee was advised by the District of Columbia, Department of Public Health that the exact income level figures acceptable to the Department of Health, Education, and Welfare are not certain, but that a preliminary examination by

the Health Department indicates there may be no essential change in either the total number of persons in the eligible population or in the program cost as a result of these adjustments.

AMENDMENT

The committee amended H.R. 10964 to comply with Reorganization Plan No. 3 of 1967, which abolished the Board of Commissioners of the District of Columbia, and transferred its functions to the single Commissioner and District of Columbia Council created under the reorganization plan. The committee intends that there be no substantive change in the bill that passed the House as a result of the amendment, which is wholly technical in nature but was required to clarify the reorganization changes in the District of Columbia government.

CONCLUSION

It is the opinion of your committee that the enactment of this proposed legislation, designed to bring the District of Columbia into the nationwide Federal health reimbursement program under title XIX of the Social Security Act, as amended, is in the best interests of all the citizens of the District of Columbia. Your committee recommends prompt enactment of this legislation.

## ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Jones, one of his secretaries.

## EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate a message from the President of the United States submitting the nomination of Lt. Gen. William W. Momyer (major general, Regular Air Force), U.S. Air Force, to be assigned to positions of importance and responsibility designated by the President, in the grade of general, which was referred to the Committee on Armed Services.

## EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF ANTIDEFICIENCY ACT VIOLATIONS

A letter from the Acting Secretary of Transportation, Department of Transportation, transmitting, pursuant to law, a report of Antideficiency Act violations by the Federal Aviation Administration (with an accompanying report); to the Committee on Appropriations.

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

A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report on Department of Defense Procurement from Small and Other Business Firms, for July–September 1967 (with an accompanying report); to the Committee on Banking and Currency.

STATISTICS OF PRIVATELY OWNED ELECTRIC UTILITIES IN THE UNITED STATES, 1966

A letter from the Acting Chairman, Federal Power Commission, transmitting, for the information of the Senate, the Statistics of Privately Owned Electric Utilities in the United States, dated 1966 (with an accompanying document); to the Committee on Commerce.

THE 24TH SEMIANNUAL REPORT OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION

A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting, pursuant to law, the 24th Semiannual Report, dated June 30, 1966 (with an accompanying report); to the Committee on Foreign Relations.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on examination of financial statements of Government Printing Office, fiscal year 1966, dated December 1967 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on need for improvement in the system for managing nonexpendable equipment, Department of the Air Force, dated December 1967 (with an accompanying report); to the Committee on Government Operations.

WILLIAM LANGER JEWEL BEARING PLANT, ROLLA, N. DAK.

A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to provide for the operation of the William Langer Jewel Bearing Plant at Rolla, N. Dak., and for other purposes (with an accompanying paper); to the Committee on Government Operations.

LOWER RIO GRANDE VALLEY REHABILITATION PROJECT, TEXAS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, determinations on deferments of 1968 construction payments due the United States from the Cameron County Water Control and Improvement District No. 1, the Donna Irrigation District, Hidalgo County No. 1 and the La Feria Water Control and Improvement District, Cameron County No. 3; to the Committee on Interior and Insular Affairs.

REPORT OF THE PROCEEDING OF THE JUDICIAL CONFERENCE OF THE UNITED STATES

A letter from the Chief Justice, Supreme Court of the United States, transmitting, pursuant to law, the report of the proceedings of the annual meeting of the Judicial Conference of the United States, dated September 21 and 22, 1967 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF JUDICIAL CONFERENCE OF UNITED STATES

A letter from the Chief Justice of the United States, Supreme Court of the United States, transmitting, pursuant to law, the Rules of Appellate Procedure, the amendments to the Rules of Civil Procedure for the U.S. District Courts, the Rules of Criminal Procedure for the U.S. District Courts which have been adopted by the Supreme Court, and the Report of the Judicial Conference of the United States (with accompanying papers); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying paper); to the Committee on the Judiciary.

REPORT OF PREMIUM PAYMENTS FOR OVERTIME

A letter from the Secretary of Labor, transmitting, pursuant to law, the report pertaining to premium payments for overtime (with an accompanying report); to the Committee on Labor and Public Welfare.

## PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution adopted by the Anaheim City Council, Anaheim, Calif., relating to Federal tax sharing; to the Committee on Finance.

A resolution adopted by the city council of Carpinteria, Calif., relating to off-shore oil development; to the Committee on Interior and Insular Affairs.

The petition of John Yonely, of Joliet, Ill., praying for the enactment of legislation to make public highways available for the exclusive use of bus and truck companies; to the Committee on Public Works.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 2018. A bill for the relief of Wong Wah Sin (Rept. No. 845);

S. 2132. A bill for the relief of Dr. Robert L. Cespedes (Rept. No. 846);

S. 2149. A bill for the relief of Dr. Jose J. Guijarro (Rept. No. 847);

S. 2249. A bill for the relief of Dr. Mario G. Mendez (Rept. No. 848);

S. 2380. A bill for the relief of Dr. Juan Jose Villa-Campos (Rept. No. 849);

S. 2403. A bill for the relief of Dr. Teobaldo Curevo-Castillo (Rept. No. 850);

S. 2404. A bill for the relief of Dr. Heriberto Jose Hernandez-Suarez (Rept. No. 852);

S. 2477. A bill for the relief of Dr. Fang Luke Chiu (Rept. No. 853);

S. 2488. A bill for the relief of Dr. Raul Agustin Pereira-Valdes (Rept. No. 854);

S. 2492. A bill for the relief of Leonardo E. Arteaga (Rept. No. 855);

S. 2495. A bill for the relief of Dr. Jesus Ortiz Ricote (Rept. No. 856);

H.R. 1592. An act for the relief of Dr. Rene Jose Triay (Rept. No. 857);

H.R. 2138. An act to amend section 319 of the Immigration and Nationality Act to permit naturalization for certain employees of U.S. nonprofit organizations engaged in disseminating information which significantly promotes U.S. interest, and for other purposes (Rept. No. 858);

H.R. 3032. An act for the relief of Mrs. Karen Wood Davila (Rept. No. 859);

H.R. 3516. An act for the relief of Andres Mauricio Candela, M.D. (Rept. No. 860);

H.R. 3525. An act for the relief of Israel Mizrahy, M.D. (Rept. No. 861);

H.R. 3528. An act for the relief of Isaac Chervony, M.D. (Rept. No. 862);

H.R. 3866. An act for the relief of Dr. Edwardo Enrique Ramos (Rept. No. 863);

H.R. 4974. An act for the relief of Dr. Manuel A. Turbat (Rept. No. 864);

H.R. 5186. An act for the relief of Dr. Armando Cobelo (Rept. No. 865);

H.R. 5187. An act for the relief of Dr. Hector Alfredo E. Planas-Pina (Rept. No. 866);

H.R. 6088. An act for the relief of Dr. Manuel Jose Coto (Rept. No. 867);

H.R. 6096. An act for the relief of Mrs. Inge Hemmersbach Hilton (Rept. No. 868);

H.R. 6670. An act for the relief of Dr. Virgilio A. Ganganelli Valle (Rept. No. 869);

H.R. 6766. An act for the relief of Dr. Raul Gustavo Fors Docal (Rept. No. 870);

H.R. 7890. An act for the relief of Dr. Josefina Quintos Marcelo (Rept. No. 871);

H.R. 7896. An act for the relief of Dr. Jose A. Rico Fernandez (Rept. No. 872);

H.R. 7898. An act for the relief of Dr. Nemesio Vazquez Fernandez (Rept. No. 873);

H.R. 8256. An act for the relief of Dr. Hermes Q. Cuervo (Rept. No. 874);

H.R. 8258. An act for the relief of Jorge Gabriel Lazcano, M.D. (Rept. No. 875);

H.R. 8407. An act for the relief of Dr. Raquel Maria Cruz-Flores (Rept. No. 876);

H.R. 8738. An act for the relief of Guillermo Ramon Palacio Sela (Rept. No. 877); and

H.R. 9081. An act for the relief of Dr. Josefina Esther Kouri-Barreto de Pelleya (Rept. No. 878).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 2318. A bill for the relief of Kelley Michelle Auerbach (Rept. No. 851);

S. 2489. A bill for the relief of Dr. Jesus Jose Eduardo Garcia (Rept. No. 879);

H.R. 3031. An act for the relief of Mr. and Mrs. Christos Photinos-Svoronos (Rept. No. 880);

H.R. 5575. An act for the relief of Panagiotis Paulus (Rept. No. 881);

H.R. 6326. An act for the relief of Chrisanthe Savas Karatapanis (Rept. No. 882); and

H.R. 8476. An act to confer U.S. citizenship posthumously upon Pfc. Alfred Sevenski (Rept. No. 883).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 265. A bill for the relief of Manuel de Benito Supnet (Rept. No. 884); and

S. 2118. A bill for the relief of Dr. Joseph E. Stapleton (Rept. No. 885).

By Mr. BURDICK, from the Committee on the Judiciary, without amendment:

S. 1052. A bill for the relief of Nicholas S. Cvetan, U.S. Air Force (retired) (Rept. No. 840);

S. 2104. A bill for the relief of Irva G. Franger (Rept. No. 842);

H.R. 1537. An act for the relief of Thomas M. Scanlon (Rept. No. 892);

H.R. 1894. An act for the relief of Our Lady of Pillar Catholic Church in Santa Ana, Calif. (Rept. No. 893);

H.R. 3889. An act for the relief of Standard Meat Co. (Rept. No. 843);

H.R. 5853. An act for the relief of Raymond E. Grail (Rept. No. 844);

H.R. 6004. An act for the relief of Swift-Train Co. (Rept. No. 894);

H.R. 9574. An act for the relief of Joseph J. Wojcik (Rept. No. 904);

H.R. 10449. An act for the relief of Camille Anita Dobson (Rept. No. 903); and

H.R. 12912. An act to give the consent of Congress to the State of Ohio to become a party to the agreement relating to bus taxation proration and reciprocity as set forth in title II of the act of April 14, 1965 (79 Stat. 60), and consented to by Congress in that act and in the acts of November 1, 1965 (79 Stat. 1157), and November 2, 1966 (80 Stat. 1156) (Rept. No. 902).

By Mr. BURDICK, from the Committee on the Judiciary, with an amendment:

S. 1212. A bill for the relief of John L. Dean (Rept. No. 901);

H.R. 2454. An act for the relief of the children of Mrs. Doris E. Warren (Rept. No. 896); and

H.R. 8338. An act to create a new division for the Western District of Texas, and for other purposes (Rept. No. 895).

By Mr. BURDICK, from the Committee on the Judiciary, with amendments:

S. 172. A bill for the relief of Mrs. Daisy G. Merritt (Rept. No. 899);

S. 909. A bill for the relief of Paul L. Margaret, and Josephine Kirsteatter (Rept. No. 900); and

S. 2287. A bill for the relief of the town of Bremen, Ind. (Rept. No. 897).

By Mr. DIRKSEN, from the Committee on the Judiciary, without amendment.

H.R. 1670. An act for the relief of Dr. George H. Edler (Rept. No. 889); and

H.R. 2152. An act to amend the act incorporating the Disabled American Veterans so as to provide for an annual audit of their accounts (Rept. No. 898).

By Mr. DIRKSEN, from the Committee on the Judiciary, without amendment:

S. Con. Res. 43. A concurrent resolution to officially recognize the 150th anniversary of the admission of the State of Illinois to the Union (Rept. No. 890).

By Mr. ERVIN, from the Committee on the Judiciary, with amendments:

S. 1843. A bill to establish rights for individuals in their relations with Indian tribes, and for other purposes (Rept. No. 841).

By Mr. TYDINGS, from the Committee on the Judiciary, with an amendment:

S. 989. A bill to provide improved judicial machinery for the selection of Federal juries, and for other purposes (Rept. No. 891).

Mr. MORSE subsequently said: Mr. President, I ask unanimous consent that the report filed earlier today by the Senator from Maryland [Mr. TYDINGS] on S. 989 be printed, together with the individual views of Senators ERVIN and HRUSKA.

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

By Mr. MONRONEY, from the Committee on Post Office and Civil Service, with amendments:

H.R. 1411. An act to amend title 39, United States Code, with respect to use of the mails to obtain money or property under false representations, and for other purposes (Rept. No. 886).

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

S. 1247. A bill to authorize the Commissioners of the District of Columbia to fix and collect rents for the occupancy of space in, on, under, or over the streets of the District of Columbia, to authorize the closing of unused or unsafe vaults under said streets and the correction of dangerous conditions of vaults in or vault openings on public space, and for other purposes (Rept. No. 887).

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

S. 1999. A bill to amend title II of the District of Columbia Public Education Act (Rept. No. 888).

## ADDITIONAL FUNDS TO STUDY MATTERS RELATING TO THE PROBLEMS CREATED BY THE FLOW OF REFUGEES AND ESCAPEES—REPORT OF A COMMITTEE

Mr. KENNEDY of Massachusetts, from the Committee on the Judiciary, reported the following original resolution (S. Res. 193); which was referred to the Committee on Rules and Administration:

S. RES. 193

*Resolved*, That S. Res. 38, Ninetieth Congress, agreed to February 17, 1967 (authorizing the Committee on the Judiciary to study any and all matters relating to the problems created by the flow of refugees and escapees), is hereby amended on page 2, line 19, by striking out "$90,000" and inserting in lieu thereof "$105,400".

## EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MONRONEY, from the Committee on Post Office and Civil Service:

One hundred and sixty-eight postmaster nominations.

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

Francisco R. Santos, of Guam, to be U.S. marshal for the district of Guam;

LaVern R. Dilweg, of Wisconsin, to be a member of the Foreign Claims Settlement Commission of the United States; and

Eugene G. Hulett, of Oregon, to be U.S. marshal for the District of Oregon.

## BILLS INTRODUCED

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

By Mr. DIRKSEN:

S. 2721. A bill to amend section 2 of the act of February 11, 1903, relating to appeals in certain antitrust actions, and for other purposes; to the Committee on the Judiciary.

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

By Mr. HAYDEN:

S. 2722. A bill to maintain farm income, to stabilize prices and assure adequate supplies of extra-long staple cotton for the 1968 and succeeding crops, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. HART:

S. 2723. A bill for the relief of Roger J. M. Beauchamp;

S. 2724. A bill for the relief of Peter Rudolf Gross; and

S. 2725. A bill for the relief of Pornthip Nutayothin McClenney; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. HAYDEN):

S. 2726. A bill to assist in the protection of the consumer by requiring full disclosure of the terms and conditions of guarantees; and by creating an Advisory Council on Guarantees, Warranties, and Servicing to conduct further study of the problems arising in securing adequate performance under these guarantees and under customary service contracts; to the Committee on Commerce.

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

By Mr. HAYDEN (for himself and Mr. MAGNUSON):

S. 2727. A bill to promote higher standards of quality control in the manufacture of motor vehicles; to provide for the establishment by the Secretary of Commerce of standards for new motor vehicle warranties and for motor vehicle dealer franchise agreements; to prescribe effective remedies for breach of such warranties and agreements; and for other purposes; and

S. 2728. A bill to require manufacturers of new household appliances distributed in interstate commerce or affecting interstate commerce to provide, in compliance with standards prescribed by the Secretary of

Commerce, warranties effective to protect consumers from deception and unfair trade practices; to provide means for the enforcement of such warranties; and for other purposes; to the Committee on Commerce.

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

By Mr. NELSON:

S. 2729. A bill for the relief of Hong Kam Pang and Fat Hing Hui; and

S. 2730. A bill for the relief of Serafina Patti; to the Committee on the Judiciary.

By Mr. DODD:

S. 2731. A bill for the relief of Basin Rowland Duncan; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 2732. A bill for the relief of Vincenzo Vitale; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 2733. A bill for the relief of Dr. Angel Solar to the Committee on the Judiciary.

By Mr. FONG:

S. 2734. A bill for the relief of Mariano A. Visitacion; to the Committee on the Judiciary.

By Mr. HARTKE:

S. 2735. A bill for the relief of Domenico Di Leonardo;

S. 2736. A bill for the relief of Antonino Gagliano;

S. 2737. A bill for the relief of Agostino Maggiore;

S. 2738. A bill for the relief of Mario Girardi; and

S. 2739. A bill for the relief of Antonio Di Leonardo; to the Committee on the Judiciary.

By Mr. KENNEDY of New York:

S. 2740. A bill to amend chapter 313, title 18, United States Code, to provide for the commitment of certain individuals acquitted of offenses against the United States solely on the ground of insanity; to the Committee on the Judiciary.

S. 2741. A bill to amend title 24, District of Columbia Code, to provide for the commitment of certain individuals acquitted of offenses in the District of Columbia solely on the ground of insanity; to the Committee on the District of Columbia.

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

## RESOLUTION

### ADDITIONAL FUNDS TO STUDY MATTERS RELATING TO THE PROBLEMS CREATED BY THE FLOW OF REFUGEES AND ESCAPEES

Mr. KENNEDY of Massachusetts, from the Committee on the Judiciary, reported an original resolution (S. Res. 193) to provide additional funds to study any and all matters relating to the problems created by the flow of refugees and escapees, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. KENNEDY of Massachusetts, which appears under the heading "Reports of Committee.")

## PROPOSED AMENDMENT OF ACT RELATING TO APPEALS IN CERTAIN ANTITRUST ACTIONS

Mr. DIRKSEN. Mr. President, I introduce, for appropriate reference, a bill dealing with the expedition of judicial matters.

The Expediting Act (15 U.S.C. 29) provides for direct appeals from the district courts to the U.S. Supreme Court in civil antitrust cases brought by the Government.

On numerous occasions in the last 2 or 3 years, the Supreme Court Justices, both in opinions and in out-of-court statements, have called for amendment of the law to provide that these appeals should go to the circuit courts of appeal as do other matters, principally because reviewing the voluminous records of those cases is unnecessarily time consuming for the Supreme Court.

The section on antitrust law of the American Bar Association has over a period of time been discussing with the Attorney General and the Assistant Attorney General in charge of the Antitrust Division proposals to accelerate court action by means of amending the existing law and have made some excellent suggestions and have recommended a proposal substantially in the form of that which I now introduce.

I believe this measure will be a useful tool in the constant effort to reduce the heavy caseload on our already overburdened Supreme Court. It would permit a more efficient utilization of already existing intermediate court procedures and would, I believe, satisfy the requirements of the Government, individual litigants, and the judiciary, and would be in the public interest.

In order that this bill receive wide attention, I ask unanimous consent that it be printed in the RECORD and be appropriately referred.

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

The bill (S. 2721) to amend section 2 of the act of February 11, 1903, relating to appeals in certain antitrust actions, and for other purposes, introduced by Mr. DIRKSEN, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S. 2721

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 2, of the Act of February 11, 1903 (32 Stat. 823, as amended; 15 U.S.C. 29, 49 U.S.C. 45), commonly known as the Expediting Act, is amended to read as follows:

"SEC. 2. (a) Except as otherwise expressly provided by this section, in every civil action brought in any district court of the United States under any of said Acts in which the United States is the complainant and equitable relief is sought, appeal may be taken only to the court of appeals. Appeals from final judgments entered in such actions shall be so taken pursuant to section 1291 of title 28 of the United States Code. Appeals from interlocutory orders entered in such actions shall be so taken pursuant to sections 1292 (a) (1) and 1292 (b) of title 28 of the United States Code. Any judgment entered by the court of appeals in any such action shall be subject to review by the Supreme Court upon a writ of certiorari as provided in section 1254 (1) of title 28 of the United States Code.

"(b) In any such action an appeal from a final judgment or an interlocutory order of a three-judge district court designated pursuant to the first section of this Act (15 U.S.C. 28, 49 U.S.C. 44) shall lie directly to the Supreme Court in accordance with section 1253 of title 28 of the United States Code.

"(c) In any such action before a district court other than such a three-judge district court an appeal from the final judgment of the district court shall lie directly to the Supreme Court if (1) the district court, upon application of a party or upon its own motion, certifies that immediate review by the Supreme Court is appropriate in the interest of justice, or (2) the Attorney General certifies that in his opinion immediate review of the action, or of a particular question of law therein, by the Supreme Court is of general public importance in the administration of justice.

"(d) Any such certificate made by the Attorney General or by the district court upon its own motion, and any application for such a certificate made by any party to the district court, shall be filed in the district court within seventy days after the entry of final judgment by the district court. Any application made by a party to the district court for such a certificate shall be deemed to have been denied unless such application is granted within eighty days after the entry of such final judgment.

"(e) When a direct appeal is taken upon a certification made under subsection (c), the Supreme Court may (1) allow the appeal and require the record of proceedings before the district court to be transmitted to the Supreme Court for decision of the entire matter in controversy, or (2) dismiss the appeal and remand the action to the district court with binding instructions for the disposition thereof. Subject to such instructions in any action so remanded, an appeal from the judgment of the district court may be taken to the court of appeals as provided by section 1291 of title 28 of the United States Code. The time allowed for such appeal shall run from the date of entry of the order of the Supreme Court remanding the action to the district court."

SEC. 2. The amendment made by this Act shall not apply to any action in which a notice of appeal to the Supreme Court has been filed on or before the date of enactment of this Act. Appeal in any such action shall be taken pursuant to the provisions of section 2 of the Act of February 11, 1903 (32 Stat. 823, as amended; 15 U.S.C. 29, 49 U.S.C. 45), which were in effect on the day preceding the date of enactment of this Act.

## THE GUARANTEE DISCLOSURE AND PRODUCT SERVICING ACT

Mr. MAGNUSON. Mr. President, I introduce, on behalf of myself and the senior Senator from Arizona [Mr. HAYDEN], for appropriate reference, the proposed Guarantee Disclosure and Product Servicing Act of 1968. This bill, the last of six consumer proposals which I pledged last January to introduce in this session of Congress, is designed to deal with two related consumer problems which have generated angry and profound consumer dissatisfaction—the incomplete, misleading, or confusing disclosure of the terms and conditions of guarantees; and the inadequate servicing of manufactured products, both under guarantee agreements and under customary service contracts.

That there are problems with guarantees, warranties, and product servicing seems to be beyond question. For the Commerce Committee, like many individual Members of Congress, receives a steady flow of mail complaining first, that a recently purchased product is defective and would not be repaired or replaced by the manufacturer; second, that certain defects or failures in a product have not been repaired, despite frequent visits to the repair shop; third, that the prices charged for minor repairs

are exorbitant; fourth, that significant parts of a product's mechanism were not covered by the guarantee, but this was not clear at the time of sale; and, fifth, that disputes with the manufacturer as to the coverage of the guarantee and the allocation of costs under it always seem to be resolved by the manufacturer in his own favor. In some of these cases, to be sure, there may be an equally persuasive contrary point of view, but the volume of mail in itself clearly indicates that there is widespread consumer discontent both with the quality of much of today's merchandise and with the manufacturer's unwillingness to repair properly. Briefly, I would like to expand upon some of these complaints.

Far too often, as I pointed out last January when first proposing to introduce this legislation, the purchaser of a product first discovers limitations on its guarantee when he seeks performance under it. Only then does he find out that the guarantee covers parts but not the labor; that he cannot take the product to the dealer for repair but must ship it to the factory, bearing the mailing cost himself; that every component part of the product comes within the guarantee except the very part which does not work; or that the guarantor does not guarantee that the product will be repaired or replaced but only that he will make an effort to repair it.

But the complaints do not end here. Even where a dealer agrees to honor a guarantee or to repair, at the customer's expense, a certain defect, difficulties have often merely just begun. The case of the Fairfax County, Va., man who returned his luxury priced new automobile to the dealer 38 times in his unsuccessful quest for the repair of a leak which left the driver soaked in rain, sleet, or snow is admittedly extreme, but symptomatic. Too frequently there is a seemingly endless succession of return trips to a dealer to obtain the repair or adjustment which should have been performed properly on the first visit. To complicate repair problems further, product models are changed with such rapidity that products only 2 or 3 years old have become obsolete, and replacement parts can apparently be found only in museums.

Even when a product is properly repaired, many complain that the prices charged to correct apparently minor defects are exorbitant. In such cases, there is no way for the technologically unsophisticated consumer to judge the honesty of the diagnosis or to assess the competence of the workmanship or the quality of the replacement parts. On top of all this, of course, is the dissatisfied consumer's tremendous frustration at frequently running into a seemingly endless hierarchy of bureaucratic officials who disclaim any authority to resolve his problem and then politely pass the buck along.

The bill I introduce today is designed to establish procedures, to become effective nearly immediately, for insuring the fair and full disclosure of guarantee and warranty terms. These provisions are contained in title I, which establishes requirements for the manner in which the terms of the guarantee are to be disclosed to the consumer. Thus, under its provisions, a seller will be required to mention, among other things, the parts which are covered, the duration of the coverage, and the type of damage which the buyer is protected against. In addition, however, the seller must also disclose the costs which the purchaser must bear under the agreement, and he must identify the parts and types of damage which are not covered by its provisions. Finally, this title, of the bill will authorize the Federal Trade Commission to develop shorthand descriptions of the various types of guarantees, and it will require that this abbreviated description appear as the title of the guarantee agreement and as an accompaniment to all guarantee advertising.

Title II of this bill represents an effort to come to grips with the broader and more perplexing problem of insuring the adequacy of product servicing. It does so by establishing an Advisory Council on Guarantees, Warranties, and Servicing which will be empowered to "conduct a comprehensive study and investigation of the adequacy of performance under guarantees, the methods of resolving disputes relating to the adequacy of such performance, the extent of the difficulty in securing competent servicing of mechanical and electrical products under warranties and guarantees as well as under customary service agreements, and the difficulties encountered in obtaining relief for inadequate performance under guarantees and under customary service agreements." This Council will submit to Congress its conclusions relating to these central problems as well as to such collateral issues as the sufficiency of the manufacturer's payments to its dealers for performing warranty work and the difficulty in attracting skilled and competent mechanics and repairmen.

Most important, of course, will be the Council's recommendations for positive action—for voluntary industry and Government programs, and for such corrective legislation as may prove necessary. In formulating these recommendations, we naturally would expect the Council to review thoroughly the existing common and statutory law relating to warranties of merchantability and fitness and their waiver; and to consider existing proposals which would protect the consumer from defective products, insure competent servicing, or fairly and expeditiously settle his warranty grievances. Such proposals include suggestions that a manufacturer be held strictly liable for any defect which appears in the merchandise within a specified period of time after the sale, regardless of contrary contractual provisions; that all mechanics and other skilled servicemen be licensed after rigorous testing; that a system for arbitration of disputes under warranty agreements, similar to that suggested by Senator HAYDEN in the bill he is introducing today, be established; and that schemes for industry self-policing, which range from the appointment of an ombudsman within each industry to investigate and settle complaints to the establishment of a formalized and effective complaint settling procedure by each company of industry, be greatly expanded. Certainly there seems to be no dearth of constructive suggestions, and the current FTC study on automobile warranties should produce more. Ultimately, however, it will be the Council's own responsibility, after carefully analyzing the problems, to develop its own recommendations as to the most desirable course for legislative action.

I regret that this bill, by itself, cannot provide answers to all the problems which arise in discussions about the adequacy of product servicing. Yet, I feel it is a significant first step. Clarifying the disclosure of the terms and conditions of guarantees will help to alert the consumer to its shortcomings at the time of his purchase. Studying and weighing various measures to insure more adequate product servicing and more equitable and economical settlement of disputes will help to induce meaningfully voluntary programs, and, where necessary, to produce strong and effective legislation.

Because of the great importance of getting this study underway immediately, we shall plan to hold hearings on this bill in the Commerce Committee early next year. At that time, however, we shall also consider Senator HAYDEN's proposals, which I have cosponsored, for should we find that they can provide workable and acceptable solutions to some of these guarantee problems, there will be no reason to delay their adoption.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of these remarks.

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

The bill (S. 2726) to assist in the protection of the consumer by requiring full disclosure of the terms and conditions of guarantees; and by creating an Advisory Council on Guarantees, Warranties, and Servicing to conduct further study of the problems arising in securing adequate performance under these guarantees and under customary service contracts; introduced by Mr. MAGNUSON (for himself and Mr. HAYDEN), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 2726

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Congress hereby declares that it is the purpose of this Act to insure that a consumer will receive a complete and clear disclosure of the terms and conditions of any guarantee on merchandise sold at retail and of any guarantee on services rendered; and to establish an Advisory Council on Guarantees, Warranties, and Servicing to conduct a study and to make recommendations with respect to the problems arising in securing adequate performance under these guarantees and under customary service contracts.

TITLE I—GUARANTEE DISCLOSURE

SEC. 101. This title may be cited as the "Guarantee Disclosure and Product Servicing Act of 1968".

SEC. 102. As used in this title—

(1) "Commission" means the Federal Trade Commission.

(2) "Guarantee" means—

(A) With respect to merchandise, a statement or representation made by a manufacturer or retailer of merchandise, whether or not the term "guarantee" or "warranty" is actually used, to the effect that such manufacturer will correct, without cost to a purchaser or upon specified terms, any damage to or defects in the merchandise at or after the time of delivery of possession of such merchandise to the purchaser thereof; and

(B) With respect to services, a statement or representation made by a person engaged in business in rendering services, whether or not the term "guarantee" or "warranty" is actually used, to the effect that such person will correct, without cost to a purchaser or upon specified terms, any deficiency in the quality or effectiveness of the services at or after the time of rendition of the services.

(3) "Guarantor" means a person who gives or has given a guarantee with respect to merchandise or services.

(4) "Interstate commerce" means commerce within the District of Columbia, the Commonwealth of Puerto Rico, or any possession of the United States, or between any place in a State and any place in another State, or between places in the same State through another State.

(5) "Merchandise" means any motor vehicle, machine, appliance, device, article, product, or commodity which is distributed by any means for ultimate purchase and use or consumption by individuals within any State.

(6) "Person" means an individual and any partnership, corporation, association, or other legal entity.

(7) "Purchaser" means the first buyer of any merchandise or services to whom a guarantee is given or has been given with respect to such merchandise or services, and any other person who is entitled by the terms of such guarantee to enforce against the guarantor the obligation of such guarantee.

(8) "Service affecting interstate commerce" means any service of any kind which is rendered (A) within the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, or American Samoa, or (B) within any other State through the use in whole or in part of any facility for interstate commerce, any instrumentality of interstate commerce, or any article, product, commodity, or material which is, has been, or may be distributed in interstate commerce.

(9) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa.

DISCLOSURE OF TERMS AND CONDITIONS

SEC. 103. (a) No person shall introduce or deliver for introduction into interstate commerce any merchandise with respect to which any guarantee is made by such person, or sell any merchandise made in whole or in part of any item which has been shipped in interstate commerce with respect to which any guarantee is made by such person, unless that person clearly and conspicuously discloses on the merchandise or on a tag attached to the merchandise—

(1) The name and address of the person making such guarantee;

(2) Where applicable, the name and address of any persons, or the identification of any class of persons, other than the person named in paragraph (1), authorized to carry out the guarantee: *Provided*, That the guarantee shall then explicitly state which party has the ultimate responsibility for performance under the guarantee; and

(3) A detailed statement of the terms and conditions of the guarantee which shall include, where applicable, but is not limited to, a description of—

(A) The part or parts of the merchandise which are covered by the guarantee;

(B) The nature of the damage and defects which are covered by the guarantee;

(C) The duration of the guarantee;

(D) The person or persons to whom the guarantee is extended;

(E) The conditions, if any, which the person claiming under the guarantee must fulfill before the guarantor will perform his obligations under the guarantee: *Provided*, That if a purchaser must indicate to the guarantor, within a stated time after the purchase, that he desires to have his purchase covered by the guarantee, then the guarantor shall include a stamped and properly addressed post card which contains a clear and conspicuous disclosure of such condition for this purpose;

(F) What costs, if any, must be borne by the person claiming under the guarantee;

(G) The time at which, and the manner in which, the guarantor will perform his obligations under the guarantee; and

(H) What parts and types of damage and defects are not covered by the guarantee.

(b) Each person who renders any service affecting interstate commerce with respect to which any guarantee is made by such person shall, upon the completion of the performance of that service, deliver to the purchaser thereof a written instrument which clearly and conspicuously discloses—

(1) The name and address of the person making such guarantee;

(2) Where applicable, the name and address of any persons, or the identification of any class of persons, other than the person named in paragraph (1), authorized to carry out the guarantee: *Provided*, That the guarantee shall then explicitly state which party has the ultimate responsibility for performance under the guarantee; and

(3) The nature of the service rendered, the time and place at which that service was rendered, and the identity of the purchaser of that service; and

(4) A detailed statement of the terms and conditions of the guarantee, which shall include but is not limited to, a description of—

(A) The object sought to be attained through the performance of such service;

(B) The nature of each deficiency in the service which is covered by the guarantee;

(C) The duration of the guarantee;

(D) The person or persons to whom the guarantee is extended;

(E) The conditions, if any, which the person claiming under the guarantee must fulfill before the guarantor will perform his obligations under the guarantee; *Provided*, That if a purchaser must indicate to the guarantor, within a stated time after the performance of the services, that he desires to have the performance covered by the guarantee, then the guarantor shall deliver to the purchaser a stamped and properly addressed post card which contains a clear and conspicuous disclosure of such condition for this purpose;

(F) What costs, if any, must be borne by the person claiming under the guarantee;

(G) The time at which, and the manner in which, the guarantor will perform his obligations under the guarantee; and

(H) What deficiencies in the service are not covered by the guarantee.

ABBREVIATED DESCRIPTION AND RULEMAKING

SEC. 104. (a) The Commission shall by rulemaking proceeding develop a simple and clear system of describing and classifying the different types of guarantees. This abbreviated description of the scope of the guarantee shall appear, along with the duration of the guarantee, as the title of every document setting forth the information required by section 103, and shall be in larger and bolder type than the detailed disclosure of the terms and conditions of such guarantee.

(b) The Commission is authorized to prescribe such additional rules and regulations as may be necessary or proper in carrying out the provisions of section 103 of this Act. Such rules and regulations may include, but are not limited to, a description of the methods to be used to assure that the information required by section 103 will be clearly disclosed to the purchaser in a manner which will not mislead him as to the terms and conditions of the guarantee.

DISCLOSURE REQUIRED IN ADVERTISING

SEC. 105. (a) No person shall state or otherwise represent in any advertisement in interstate commerce or affecting interstate commerce that any merchandise or service is guaranteed unless that person also discloses—

(1) The abbreviated description of the scope of the guarantee as provided in section 104 of this Act;

(2) The duration of the guarantee; and

(3) The name of the person making such guarantee: *Provided*, That any person whose advertisement offers to sell such guaranteed merchandise or service through the mails shall disclose in the advertisement the complete terms and conditions of such guarantee, as required by sections 103 and 104.

(b) For the purposes of this section, the term "advertisement in interstate commerce" includes, but is not limited to—

(1) the advertising of merchandise or services through any means or instrumentality of interstate commerce;

(2) the advertising of any merchandise which is made in whole or in part of any item which has been distributed in interstate commerce; and

(3) the advertising of any service affecting interstate commerce.

PERFORMANCE

SEC. 106. (a) No person shall make any guarantee as to any merchandise which has been or will be introduced into interstate commerce or which is made in whole or in part of any item which has been distributed in interstate commerce, or as to any service affecting interstate commerce, if he knows or has reason to believe that the person, or any substantial number of the persons, authorized to carry out the guarantee do not have adequate facilities or materials to carry out the guarantee or will not in fact normally carry out the guarantee according to its terms.

(b) No person shall use the terms "guarantee" or "warranty" in conjunction with the sale or offering for sale of any merchandise which has been or will be introduced into interstate commerce or which is made in whole or in part of any item which has been shipped in interstate commerce, or of any service affecting interstate commerce, if the terms and conditions of such guarantee so limit its scope or application as to deceive a reasonable and prudent prospective purchaser as to the extent of its coverage.

ENFORCEMENT

SEC. 107. (a) The Commission is authorized and directed to prevent any person from violating the provisions of this title or rules or regulations issued pursuant to this title. Any violation of such provisions, rules, or regulations shall be deemed to be a violation of section 5 (a) of the Federal Trade Commission Act (15 U.S.C. 45 (a)).

(b) Whenever the Commission has reason to believe that a person has violated or is about to violate the provisions of sections 103, 104, or 105 of this title, and that it would be in the public interest to enjoin such violation until complaint is issued by the Commission under the Federal Trade Commission Act and such complaint dismissed by the Commission or set aside by the court in review, or until order to cease and desist made thereon by the Commission has become final within the meaning of the Federal Trade Commission Act, the Commission may bring suit in the district court of the United States or in the United States court of any territory,

for the district or territory in which such person resides or transacts business, to enjoin such violation, and upon proper showing, a temporary injunction or restraining order shall be granted without bond.

PENALTIES

SEC. 108. (a) Whoever willfully violates a provision of this title shall forfeit and pay to the United States a civil penalty of not more than $10,000 for each violation. Such penalty may be recovered in a civil action brought by the Attorney General at the request of the Commission in a district court of the United States. Nothing contained in this subsection shall bar the recovery under section 5 (1) of the Federal Trade Commission Act (15 U.S.C. 45 (1)) of a penalty for the violation of a cease and desist order of the Commission.

(b) Whoever willfully removes, alters, or renders illegible any information placed upon merchandise, or any tag attached to merchandise, in compliance with section 103 of this Act before such merchandise is delivered to the actual custody of the purchaser of such merchandise shall be fined not more than $5,000, or imprisoned not more than six months, or both. Such removal, alteration, or rendering illegible with respect to each article of merchandise shall constitute a separate offense.

EFFECTIVE DATE

SEC. 109. The provisions of this title shall take effect on July 1, 1969.

TITLE II—ADVISORY COUNCIL ON GUARANTEES, WARRANTIES, AND SERVICING

SEC. 201. (a) There is hereby established an Advisory Council on Guarantees, Warranties, and Servicing (hereinafter referred to as the "Council").

(b) The Council shall be composed of five members appointed by the President from among persons who are specially qualified to serve on such Council by virtue of their education, training, or experience.

(c) Any vacancy on the Council shall not affect its powers.

(d) The President shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Council.

(e) Three members of the Council shall constitute a quorum.

DUTIES OF THE COUNCIL

SEC. 202. (a) The Council shall conduct a comprehensive study and investigation of the adequacy of performance under guarantees made with respect to merchandise and services, the methods of resolving disputes relating to the adequacy of such performance, the extent of the difficulty in securing competent servicing of mechanical and electrical products under warranties and guarantees as well as under customary service agreements, and the difficulties encountered in obtaining relief for inadequate performance under guarantees and under customary service agreements.

(b) The Council may transmit to the President and to the Congress such interim reports as it deems advisable, and shall transmit its final report with recommendations to the President and to the Congress not later than two years from the date of approval of this Act. Such final report shall contain a detailed statement of the findings and conclusions of the Council together with its recommendations for such legislation or voluntary programs as it deems appropriate.

POWERS OF THE COUNCIL

SEC. 203. (a) The Council, or any two members thereof as authorized by the Council, may conduct hearings anywhere in the United States or otherwise secure data and expressions of opinions pertinent to the study. The Council shall publish notice of any proposed hearing in the Federal Register, and shall afford a reasonable opportunity for interested persons to present relevant testimony and data. In connection therewith the Council is authorized by majority vote—

(1) To require, by special or general orders, corporations, business firms, and individuals to submit in writing such reports and answers to questions as the Council may prescribe; such submission shall be made within such reasonable period and under oath or otherwise as the Council may determine;

(2) To administer oaths;

(3) To require by subpoena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) In the case of disobedience to a subpoena or order issued under this subsection, to invoke the aid of any district court of the United States in requiring compliance with such subpoena or order;

(5) In any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Council and has the power to administer oaths, and in such instances to compel testimony and the production of evidence in the same manner as authorized under paragraphs (3) and (4) of this subsection; and

(6) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States.

(b) Any district court of the United States within the jurisdiction of which an inquiry is carried on may, in case of refusal to obey a subpoena or order of the Council issued under subsection (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) The Council is authorized to request directly from any department, agency, or independent instrumentality of the Federal Government any information it deems necessary to carry out its functions under this Act; and each such department, agency, or independent instrumentality is authorized to cooperate with the Council and, to the extent permitted by law, to furnish such information to the Council upon request made by the Chairman or Vice Chairman when acting as Chairman.

(d) The Council is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, and the preparation of reports, and for other activities necessary to the discharge of its duties.

(e) When the Council finds that publication of any information obtained by it is in the public interest and would not give an unfair competitive advantage to any person, it is authorized to publish such information in the form and manner deemed best adapted for public use, except that data and information which would separately disclose the business transactions of any person, trade secrets, or names of customers shall be held confidential and shall not be disclosed by the Council or its staff: *Provided*, That the Council shall permit business firms or individuals reasonable access to documents furnished by them for the purpose of obtaining or copying such documents as need may arise.

(f) The Council is authorized to delegate any of its functions to individual members of the Council or to designated individuals on its staff and to make such rules and regulations as are necessary for the conduct of its business, except as herein otherwise provided.

COMPENSATION OF MEMBERS OF THE COUNCIL

SEC. 204. Each member of the Council shall receive compensation at the rate of $100 for each day such member is engaged upon work of the Council and shall be reimbursed for travel expenses, including per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

ADMINISTRATION

SEC. 205. (a) The Council is authorized, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, to appoint and fix the compensation of an Executive Director, and the Executive Director, with the approval of the Council, may employ and fix the compensation of such additional personnel as may be necessary to carry out the functions of the Council, but no individual so appointed shall receive compensation in excess of the rate authorized for GS–18 by section 5332 of such title.

(b) The Executive Director, with the approval of the Council, is authorized to obtain services in accordance with the provisions of section 3109 of title 5, United States Code, but at rates for individuals not to exceed $100 per diem.

(c) The head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to assist in carrying out the duties of the Council under this Act.

(d) Financial and administrative services (including those related to budgeting and accounting, financial, reporting, personnel, and procurement) shall be provided for the Council by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Council in such amounts as may be agreed upon by the Chairman of the Council and the Administrator of the General Services. Regulations of the General Services Administration for the collection of indebtedness of personnel resulting from erroneous payments shall apply to the collection of erroneous payments made to or on behalf of a Council employee, and regulations of said Administrator for the administrative control of funds shall apply to appropriations of the Council, but the Council shall not be required to prescribe such regulations.

(e) Ninety days after submission of its final report, as provided in section 202(b), the Council shall cease to exist.

AUTHORIZATION

SEC. 206. There are authorized to be appropriated to the Council such sums, not to exceed $2,000,000, as may be necessary to carry out the provisions of this title.

## CONSUMER WARRANTY LEGISLATION

Mr. HAYDEN. Mr. President, I introduce, on behalf of myself and the senior Senator from Washington [Mr. MAGNUSON], two bills concerning consumer warranty legislation.

In the past year my office has been receiving numerous complaints from new-car buyers and automobile dealers in Arizona. The chief complaint has been that it is virtually impossible for the consumer to enforce the provisions of his automobile warranty against the manufacturer. The dealers complain that the automobile manufacturers will not furnish them with parts nor will they reimburse them for work done under the warranty and, therefore, it becomes economically disastrous for the dealer to make all the repairs that the consumer usually finds necessary to put his new car in operating shape.

The other major problem involved here is the interpretation of the provisions in the new-car warranties. Consumers and dealers interpret them one way and the manufacturer interprets

them another—usually to his benefit. This problem has been brought to light by articles in Consumer Reports, the Wall Street Journal, the Washington Star and is now under serious study by the Federal Trade Commission.

In 1966, Congress established the National Traffic and Motor Vehicle Safety Act. As a result of this act, a period from September 1966 to May 31, 1967, 2,214,-925 motor vehicles have been reported to the National Highway Safety Bureau, according to the American Automobile Association, because of safety defects. In addition, thousands of motor vehicles produced in this country have what is considered inconvenient defects—that is, cigarette lighter does not work, the upholstery is poorly done in the car, the carpeting is not put down right, the speedometer is not at a correct angle. The major problem here is what recourse does the new-car buyer have to get the dealer or the manufacturer to correct the so-called inconvenient defects. In general, the only recourse he has is to enforce the provisions of this warranty. However, since there is a problem in interpreting it this usually entails hiring a lawyer and going to court. The chances of the average new-car buyer succeeding are extremely slim because of the high cost of litigation and also the length of the litigation. Therefore, we have prepared this legislation.

It sets up automobile warranty standards, both for the manufacturer and for the franchised dealer. The standards will be set by the Secretary of Commerce after consultation with the Federal Trade Commission relative to accepted advertising practices. The standards the Secretary shall set include provisions whereby the manufacturer may not release himself of liability by contracting it away.

We provide under the warranty claim section a method by which a new car buyer who has a warranty may request arbitration and, if he is successful, have this claim docketed in a Federal Court and, therefore, legally enforceable against the manufacturer at little or no cost to the consumer.

The bill also provides certain franchise standards. These standards prohibit any manufacturer from authorizing a franchise unless he makes the dealer his agent for service of process in case of legal action and reimburses him at a fair market value for the work he does on cars that have damages or defects that will be covered by the warranty.

The bill also requires both the manufacturer and the dealer to keep records relative to all the defects, damages—whether they be legal claims or monetary claims—relative to that make or model of car.

Mr. President, the warranty problem is not restricted to the automobile industry alone. The consumer often encounters the same frustrating experiences when he purchases new household and electrical applicances. And I am introducing legislation which would require quality control standards in the household appliance industry and which would provide a means for the customer to enforce his warranty claims for various appliances like stoves, refrigerators, and radios.

These bills, in conjunction with Senator MAGNUSON's advisory council proposal, represent a comprehensive effort to put some quality in the quantitative theory of production.

I ask unanimous consent that the text of the two bills be printed in the RECORD at the conclusion of these remarks, along with three articles, one from Consumer Reports and two from the Wall Street Journal, which deal with the subject of warranties.

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

The bills, introduced by Mr. HAYDEN (for himself and Mr. MAGNUSON), were received, read twice by their titles, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 2727. A bill to promote higher standards of quality control in the manufacture of motor vehicles; to provide for the establishment by the Secretary of Commerce of standards for new motor vehicle warranties and for motor vehicle dealer franchise agreements; to prescribe effective remedies for breach of such warranties and agreements; and for other purposes:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act, divided into sections according to the following table of contents, may be cited as the "Federal Motor Vehicle Warranty Act."

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MOTOR VEHICLE FACTORY INSPECTION

SEC. 2. (a) Under such regulations as the Secretary of Commerce shall prescribe, one or more qualified representatives of the Department of Commerce shall conduct at least once in each calendar year without advance notice a comprehensive inspection of each factory, assembly plant, or other facility operated or maintained within any State by any manufacturer for the manufacturing or assembling of new motor vehicles for distribution in or affecting interstate commerce, or any component of such motor vehicles, to examine and evaluate—

(1) the quality of materials, components, manufacturing or assembling practices, and workmanship used or applied within such facility for the manufacturing or assembling of such motor vehicles or components;

(2) the effectiveness of quality control measures and procedures in effect within such facility with respect to the manufacturing or assembling of such motor vehicles or components;

(3) the extent to which and the effectiveness with which components produced or supplied by persons other than such manufacturer are inspected or tested for defects before use within such facility for the manufacturing or assembling of such motor vehicles;

(4) the extent to which and the effectiveness with which completed new motor vehicles manufactured or assembled in such facility are inspected or tested for defects before distribution in or affecting interstate commerce; and

(5) the extent to which and the effectiveness with which defects in such new motor vehicles detected by such inspection or testing are corrected before such new motor vehicles are distributed in or affecting interstate commerce.

(b) Upon the completion of each such inspection of each such facility, the representatives of the Department of Commerce who conducted such inspection shall transmit to the Secretary a full and complete written report, prepared in such manner and form as the Secretary shall prescribe, containing a detailed statement of the findings and conclusions made by such representatives upon such inspection and their recommendations with respect to measures to be taken for the improvement in quality of motor vehicles or components manufactured or assembled in such facility. If any such representative of the Department does not concur in the findings, conclusions, or recommendations contained in such report, such representative shall prepare a written statement of his comments thereon, and such statement shall be annexed to such report and shall be made a part thereof.

(c) Upon receipt of any such report with respect to any such facility operated or maintained by any manufacturer containing recommendations for the improvement in quality of motor vehicles or components thereof manufactured or assembled in such facility, the Secretary shall transmit promptly to such manufacturer a written statement of such recommendations. Not less than two months or more than six months after the transmission of any such statement to any manufacturer, the Secretary shall cause the facility named therein to be reinspected without advance notice in compliance with the provisions of subsections (a) and (b).

(d) To carry into effect the provisions of this section, officers and employees of the Department of Commerce duly designated by the Secretary, upon the presentation of appropriate credentials to the individual then exercising principal executive or administrative control over any such facility, shall be entitled, at any time at which such facility is engaged in operation or open for the transaction of business, to enter such facility and to conduct such inspection of (1) the components or other materials contained in such facility and (2) the operations, records, and products of such facility as may be required for that purpose. Information obtained in the course of any such inspection by any officer or employee of the Department of Commerce with respect to (1) the cost of materials or components used in such facility, (2) the costs of production of motor vehicles or components thereof manufactured or assembled in such facility, and (3) proprietary or trade secrets of the manufacturer engaged in the operation or maintenance of such facility shall be treated as confidential information, and shall not be disclosed to any other person who is not included within a class of officers or employees of the Department of Commerce which has been determined by the Secretary to require such information for the performance of official duties imposed upon them under this Act.

WARRANTY AND FRANCHISE REQUIREMENTS

SEC. 3. (a) No manufacturer may manufacture or assemble for distribution in or affecting interstate commerce, or distribute or cause to be distributed in or affecting interstate commerce, any new motor vehicle of any make unless such manufacturer gives in writing to the first purchaser of each motor vehicle of that make within any State a warranty with respect to such motor vehicle

which complies with standards prescribed by the Secretary under this Act which are then in effect.

(b) No manufacturer may enter into any franchise with any dealer for the retail sale of new motor vehicles of any make within any State unless such franchise complies with standards prescribed by the Secretary under this Act which are then in effect.

(c) The Secretary shall prescribe, by rules adopted by him in conformity with the provisions of section 553, title 5, United States Code, after consultation with the Commission, standards for—

(1) warranties given by manufacturers to the first purchasers within any State of new motor vehicles manufactured, assembled, or distributed by such manufacturers; and

(2) franchises entered into by manufacturers for the retail sale of new motor vehicles by dealers within any State.

WARRANTY STANDARDS

SEC. 4. (a) Warranty standards prescribed by the Secretary under this Act shall require that each warranty given by a manufacturer with respect to any new motor vehicle—

(1) Include terms which state the name and address of the warrantor, impose upon the warrantor legally enforceable liability for the performance of the terms of such warranty, and identify the persons or classes of persons who are entitled as warrantees to enforce the obligation of such warranty;

(2) Include affirmative provisions by which such motor vehicle is warranted to comply with the requirements of all motor vehicle safety standards imposed by or pursuant to laws of the United States and of the State and the political subdivision thereof in which possession of such motor vehicle is transferred to the first purchaser;

(3) Include affirmative provisions by which (A) such motor vehicle is warranted to be free from damage and defects at the time of the delivery of possession thereof to the first purchaser thereof, and (B) any defect in such motor vehicle which is made the subject of a claim against the warrantor within twelve months after the time of transfer of possession thereof to such purchaser shall be presumed in the absence of substantial proof to the contrary to have existed in such motor *vehicle at* that time;

(4) Include affirmative provisions by which the warrantor undertakes to reimburse a warrantee for all expenses reasonably incurred by such warrantee for or incident to service rendered, by a person other than a dealer engaged in business pursuant to a franchise entered into by the warrantor, for the correction of defects in such motor vehicle which are subject to the warranty whenever (A) the correction of any such defect is immediately required for safety or to render such motor vehicle operative at any place or time at which the services of such a dealer are not readily available to the warrantee, or (B) no dealer engaged in business pursuant to a franchise entered into by the warrantor, in the immediate vicinity of the place at which such service is required by the warrantee, is able to provide such service within a reasonable period of time, as such period is determined by rules which the Secretary shall prescribe;

(5) Specify with particularity the nature, extent, duration, conditions, and exceptions of any additional warranty given by the warrantor with respect to such motor vehicle;

(6) Specify with particularity the nature and the extent of each remedy made available by the warrantor to a warrantee for the correction of damage to or defects in such motor vehicle subject to such warranty;

(7) Provide for the assertion of warranty claims and demands by warrantees in writing upon printed forms prepared by the warrantor, and made readily available to all warrantees at the place of business of each dealer engaged in business under a franchise entered into by the warrantor, in conformity with rules prescribed by the Secretary;

(8) Include effective provision for the adjustment and settlement, by arbitration conducted upon written demand made by a warrantee in conformity with the provisions of title 9, United States Code, and with rules prescribed by the Secretary, of any dispute arising from any claim made against the warrantor for the correction under such warranty of any alleged damage to or defect in any such motor vehicle; and

(9) Include such other provisions as the Secretary shall determine from time to time after consultation with the Commission to be required (A) to protect warrantees fully and effectively from deception and unfair trade practices by manufacturers and by dealers engaged in the retail sale of new motor vehicles under franchises, and (B) to protect manufacturers from fraudulent and unconscionable warranty claims.

(b) No warranty given by any manufacturer may include any provision by which the warrantor is relieved, or which purports to relieve the warrantor, of any obligation—

(1) To correct fully at the expense of the warrantor any damage to or defect in any new motor vehicle which exists at the time of the transfer of possession thereof to the first purchaser;

(2) With respect to any tire or other component which (A) has been furnished or supplied to the manufacturer by any other person, and (B) is a part of, installed in, or attached to a motor vehicle at the time of transfer of possession thereof to the first purchaser;

(3) With respect to any article of equipment or accessory distributed or furnished by the manufacturer which is installed in or attached to a motor vehicle after the transfer of possession thereof to the first purchaser;

(4) Arising under the law of any State with respect to any implied warranty of merchantability or fitness for a particular use; or

(5) With respect to the death of or personal injury to any person, or the loss of or damage to any property of any person, resulting proximately from any damage to or defect in any motor vehicle which is subject to the terms of a warranty given by the manufacturer to the first purchaser of such motor vehicle.

WARRANTY CLAIMS

SEC. 5. (a) In conformity with the provisions of section 553, title 5, United States Code, the Secretary after consultation with the Commission shall prescribe rules for (1) the submission to warrantors of claims made upon warranties, (2) the making of demands upon warrantors for the arbitration of such claims, and (3) the adjustment and settlement of such claims by arbitration. Such rules for the arbitration of such claims shall include effective provision for (1) the inspection and evaluation of any motor vehicle as to which any such claim is made by an impartial motor vehicle analysis or diagnosis organization which is qualified to determine whether any alleged damage to or defect in any motor vehicle exists or existed and the nature and extent of any action required for the satisfactory correction of any such damage or defect which is determined to be present, and (2) the entry of judgment in a district court of the United States upon any award made by such arbitration. Any award made in favor of a prevailing claimant in any such arbitration shall include provision for the granting to the claimant of appropriate relief and for the payment by the warrantor to the claimant of a sum equal to the aggregate amount of all expenses reasonably incurred by the claimant incident to the assertion and prosecution of his claim.

(b) In any proceeding instituted by a warrantee under title 9, United States Code, against a warrantor for the confirmation and enforcement of an arbitration award made pursuant to this Act a prevailing plaintiffs shall be entitled to recover from the warrantor (in addition to any recovery or relief granted for compliance with the arbitration award) a sum equal to the aggregate amount of the costs and expenses (including attorney's fees) determined by the court to have been reasonably incurred by the plaintiff for or in connection with the institution and prosecution of such proceeding. In any such proceeding in which it is shown by a prevailing plaintiff that the warrantor has failed to comply fully with the terms of such award within 30 days after the date on which such award was made in favor of the plaintiff, the plaintiff also shall be entitled to recover from the warrantor an indemnity in such amount, not less than $100 or more than $1,000, as the court shall determine to be proper unless the defendant shows by substantial evidence just cause for such failure.

(c) Nothing contained in this Act, or in any rules prescribed by the Secretary thereunder, shall bar the institution by any warrantee of any legal action in any court of competent jurisdiction of any State for the assertion of any claim against any warrantor arising from any defect in any motor vehicle.

FRANCHISE STANDARDS

SEC. 6. (a) Franchise standards prescribed by the Secretary under this Act shall require that each franchise entered into by a manufacturer with a dealer for the retail sale by such dealer of new motor vehicles of any make within any State include—

(1) Provisions by which such dealer is designated as the agent of the manufacturer for (A) the giving to the first purchaser of each new motor vehicle at the time of delivery of possession of such motor vehicle to such purchaser of a warranty which is in full compliance with warranty standards prescribed under this Act, (B) the performance of any inspection of any motor vehicle of that make to which any warrantee is entitled by the terms of a warranty given by the manufacturer with respect to such motor vehicle, (C) the correction of any damage to or defect in any motor vehicle of that make to which any warrantee is entitled by the terms of a warranty given by the manufacturer with respect to such motor vehicle, (D) the furnishing, upon request of any warrantee, of printed forms for the assertion against the manufacturer of warranty claims and the making of demands for the arbitration of such claims, (E) the acceptance on behalf of the manufacturer of any warranty claim made against, or any demand for the arbitration of any such claim made to, the manufacturer with respect to any motor vehicle of that make, and (F) the service of process in any legal action instituted in any court against the manufacturer upon any claim arising from any alleged damage to or defect in any motor vehicle of that make;

(2) Provisions by which the manufacturer is obligated to reimburse such dealer for all service rendered by such dealer in the inspection of each new motor vehicle of that make and the correction, before the time of delivery thereof by such dealer to the first purchaser, of all damage to and defects in such motor vehicle determined by such dealer to exist before such time;

(3) Provisions by which the manufacturer is obligated to reimburse such dealer for all service rendered by such dealer for the correction of any damage to or defect in any motor vehicle of that make which any warrantee is entitled to obtain without cost under the terms of a warranty given by the manufacturer;

(4) Provisions by which the manufacturer is obligated to make payment to such dealer for all service of the kinds described in paragraph (2) and paragraph (3) rendered by such dealer (A) at a time not later than the last day of the month next follow-

ing the month in which such dealer transmits to the manufacturer written request for reimbursement for such service, and (B) in an amount equal to the aggregate amount which such dealer would receive for like service rendered to retail customers who are not entitled by the terms of a warranty to obtain such service without cost;

(5) Provisions by which the manufacturer is obligated to make reasonable reimbursement to such dealer, in accordance with rules which the Secretary shall prescribe after consultation with the Commission, for all administrative and other expenses incurred by such dealer in (A) the reception and transmission to the manufacturer of claims made upon warranties given by the manufacturer and demands made for the arbitration of such claims, (B) the preparation and maintenance of records and the making of reports with respect to such claims, and (C) the furnishing of evidence in or in connection with the arbitration of, or the trial of legal actions arising from, such claims;

(6) Provisions by which the manufacturer is obligated to make available promptly to each such dealer all repair parts and components required by such dealer for the prompt and satisfactory repair of all motor vehicles of such make which have been manufactured or asssembled by the manufacturer within the preceding period of five model years;

(7) Provisions by which the manufacturer is obligated to provide such dealer without cost such technical analysis services beyond the capacity or competence of such dealer as such dealer may require for the identification and correction of defects in all motor vehicles of such make which are subject to warranty given by the manufacturer;

(8) Effective provision for the adjustment and settlement, by arbitration conducted upon written demand made by such dealer in conformity with the provisions of title 9, United States Code, and with rules prescribed by the Secretary, of any dispute arising from any claim made by such dealer against the manufacturer for any reimbursement or service pursuant to the terms of such franchise; and

(9) Such other provision as the Secretary shall determine from time to time after consultation with the Commission to be required (A) to protect such dealers from unfair trade practices by the manufacturer, and (B) to protect manufacturers from fraudulent and unconscionable franchise claims.

(b) No franchise entered into by a manufacturer may include any provision by which any dealer is obligated to assume any liability, other than liability as the agent of the manufacturer pursuant to the terms of a warranty given by the manufacturer, for the correction of damage to or defects in any new motor vehicle, or in any article of equipment or accessory for any motor vehicle which has been distributed or furnished to the dealer by manufacturer, existing at the time of delivery of such new motor vehicle, or such article of equipment or accessory, to such dealer.

FRANCHISE CLAIMS

SEC. 7. (a) In conformity with the provisions of section 553, title 5, United States Code, the Secretary after consultation with the Commission shall prescribe rules for (1) the making of demands by dealers for the arbitration of claims of such dealers against manufacturers arising from franchise terms, and (2) the adjustment and settlement of such claims by arbitration. Such rules shall conform as nearly as may be practicable to rules prescribed by the Secretary under section 5 with respect to the arbitration of warranty claims.

(b) In any proceeding instituted by a dealer under title 9, United States Code, against a manufacturer for the confirmation and enforcement of an arbitration award made pursuant to this Act, a prevailing plaintiff shall be entitled to the recovery from such manufacturer of costs, expenses, and an indemnity in conformity with the provisions of section 5(b) relating to warranty claims.

(c) Nothing contained in this Act, or in any rules prescribed by the Secretary thereunder, shall bar the institution by a dealer of any legal action in any court of competent jurisdiction for the assertion of any claim against manufacturer.

RECORDS AND REPORTS

SEC. 8. (a) Each manufacturer, and each dealer engaged in the retail sale of new motor vehicles under a franchise entered into by such manufacturer, shall prepare, compile, and maintain at its principal place of business for such period of time as the Secretary shall specify such records as the Secretary after consultation with the Commission shall prescribe with respect to—

(1) Warranties given and franchises entered into by such manufacturer;

(2) Claims made in writing against such manufacturer upon such warranties and such franchises;

(3) Demands made upon the manufacturer for the arbitration of such claims;

(4) Legal actions instituted in prosecution of such claims;

(5) Action taken by such manufacturer and by such dealer with respect to each such claim and demand;

(6) The time, place, manner, and terms of settlement of each such claim; and

(7) The written acknowledgment of satisfactory settlement executed by the claimant in the case of each such claim which has been so settled.

(b) Upon demand made by any duly designated officer or employee of the Department of Commerce or the Commission during business hours of any business day, each manufacturer and each such dealer shall grant to such officer or employee access to all such records to inspect, analyze the contents of, and make copies of any of the papers contained in or constituting a part of such records.

(c) Under such regulations as the Secretary shall prescribe from time to time after consultation with the Commission, each manufacturer shall transmit to the Secretary in January of each year a report which shall include full, complete, and accurate information, prepared in such manner and form as the Secretary shall prescribe, as to—

(1) The number of warranties given by such manufacturer during the preceding calendar year;

(2) The number of written claims made during that year against such manufacturer under warranties given at any time by such manufacturer;

(3) The nature of each category of alleged damage or defects which were the subject of such warranty claims, and the number of such claims so made with respect to each such category;

(4) The number of written claims made during that year against such manufacturer under franchises entered into at any time by such manufacturer, the nature of each category of such claims, and the number of claims so made with respect to each such category;

(5) The number of such warranty claims, and the number of such franchise claims, of each such category received by such manufacturer during that year which were settled during that year, and the nature and manner of disposition of such claims;

(6) The total number, and the number of each such category, of such warranty claims and of such franchise claims received by such manufacturer during that year which were not settled during that year, and the reasons for failure of settlement of claims of each such category;

(7) The total number, and the number of each such category, of such warranty claims and of such franchise claims received by such manufacturer during all preceding years which were not settled during the calendar year for which the report is made, and the reasons for failure of settlement of claims of each such category; and

(8) Such other matters as the Secretary shall determine to be required for the evaluation of the compliance by such manufacturer with the requirements of this Act and with the terms of warranties given and franchises entered into by such manufacturer at any time.

(d) A copy of each report received by the Secretary from each manufacturer under this section shall be placed in a file which shall be established within the Department of Commerce. The Secretary shall prepare an appropriate index to that file to facilitate the identification of and access to all such reports filed by each manufacturer. Under such regulations as the Secretary shall prescribe, reports contained in that file and the index thereto shall be available for inspection by members of the public during business hours of the Department of Commerce. Upon receipt of each such report, the Secretary shall prepare and transmit promptly to the Commission a copy thereof.

(e) On on before April 1 of each year, the Secretary shall transmit to the Congress and to the Commission a report which shall contain—

(1) A summary of the information contained in reports made to the Secretary by each manufacturer under this section with respect to the preceding calendar year;

(2) An evaluation by the Secretary of the extent to which compliance with (A) the requirements of this Act, (B) the requirements of standards prescribed under this Act, and (C) the terms of warranties given and franchises entered into pursuant to such standards, has been achieved; and

(3) The recommendations of the Secretary for such additional legislation as he may deem necessary or desirable, after consultation with the Commission, to obtain (A) effective compliance in good faith by manufacturers and dealers with such requirements and terms, (B) the establishment and maintenance by manufacturers of manufacturing practices and quality control procedures effective to reduce substantially the amount of damage to and the number of defects occurring in new motor vehicles at the time of delivery of possession to the first purchasers thereof, and (C) provision for the rendition of prompt and effective service to warrantees for the correction of damages to or defects in motor vehicles subject to warranty.

ENFORCEMENT

SEC. 9. (a) It shall be a violation of paragraph (1) of section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)) for any manufacturer—

(1) To fail to give to the first purchaser of each new motor vehicle manufactured or distributed by such manufacturer, at the time of transfer of possession of such motor vehicle to such purchaser, a warranty which complies in all respects with warranty standards in effect at that time pursuant to the provisions of this Act;

(2) To enter into any franchise with any person at any time unless such franchise complies in all respects with franchise standards in effect at that time pursuant to the provisions of this Act; or

(3) To decline or fail to fulfill any obligation to any warrantee or dealer imposed upon such manufacturer by the terms of any such warranty or franchise.

(b) It shall be a violation of paragraph (1) of section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)) for any dealer engaged under a franchise in the retail sale of new motor vehicles to decline or fail to fulfill any obligation to any warrantee imposed upon such dealer by or pursuant to

this Act or by the terms of such franchise unless such dealer shows by substantial evidence that for reasons beyond the control of such dealer fulfillment of that obligation was not possible.

PENALTIES

SEC. 10. (a) In any action under section 5 of the Federal Trade Commission Act for the recovery from any manufacturer of any civil penalty for the violation of a final cease-and-desist order of the Commission entered pursuant to section 9(a) of this Act, each violation of that order with respect to each item of damage to and each defect in each motor vehicle shall be a separate violation without regard to the day on which such violation occurred.

(b) Whoever, being a person who is obligated by this Act, by any rule or regulation prescribed or promulgated under this Act, by any provision of a franchise, or by any requirement imposed by a manufacturer or dealer upon any officer, employee, or agent of such manufacturer or dealer, to prepare, compile, or maintain any record in compliance with section 8(a) of this Act, willfully fails to comply with such obligation, or willfully fails to accord access to such record in compliance with section 8(b) of this Act, shall be fined not more than $10,000, or imprisoned not more than five years or both.

(c) Whoever, being a person who is obligated by this Act, or by any requirement imposed by a manufacturer upon any officer, employee, or agent of such manufacturer, to make any report under section 8(c) of this Act—

(1) Willfully fails to file such report within the period of time prescribed by section 8(c) of this Act;

(2) Files any such report containing any information which is false or misleading, with knowledge or with reason to believe that such information is false or misleading; or

(3) Files any such report from which there has been omitted any information required by this Act, or by any rule or regulation promulgated under this Act, to be contained therein, with intent to conceal such information,

shall be fined not more than $10,000, or imprisoned not more than five years, or both.

(d) Whoever, being an officer, employee, or agent of any manufacturer, willfully (1) denies to any officer or employee of the Department of Commerce duly designated by the Secretary to conduct any inspection pursuant to section 2 of this Act access to any facility of such manufacturer, to any components or other materials contained in any such facility, or to any operations, records, or products of any such facility, or (2) by any means obstructs or impedes any such officer or employee of the Department of Commerce in the conduct of any such inspection with intent to conceal any fact, circumstance, or matter relevant to the conduct of such inspection, shall be fined not more than $10,000, or imprisoned not more than five years, or both.

(e) Any person who has been designated under rules prescribed by the Secretary to serve as an arbitrator of any claim made under a warranty or franchise shall be deemed for the purposes of such service to be a public official within the meaning of section 201, title 18, United States Code.

DEFINITIONS

SEC. 11. As used in this Act—

(1) The term "motor vehicle" means a vehicle driven or drawn by mechanical power manufactured primarily for use in the transportation of passengers or property on public streets, roads, and highways, except any vehicle operated exclusively on a rail or rails.

(2) The term "new motor vehicle" means a motor vehicle the possession of which has not been transferred to the first purchaser thereof.

(3) The term "make", when used with respect to a motor vehicle, means the principal brand or trade name under which such motor vehicle is distributed for sale at retail.

(4) The term "model", when used with respect to a motor vehicle, means each subsidiary brand, trade name, and designation by year or otherwise under which a particular category of motor vehicles of any make is distributed for sale at retail.

(5) The term "manufacturer" means a person engaged in the business of (A) manufacturing or assembling new motor vehicles for distribution in or affecting interstate commerce, (B) distributing in or affecting interstate commerce to dealers for retail sale, pursuant to franchises entered into by such person with such dealers, new motor vehicles manufactured or assembled within any State by any other person, or (C) importing new motor vehicles for resale.

(6) The term "dealer" means a person engaged in business in the retail sale of new motor vehicles distributed in, or the distribution of which affects, interstate commerce.

(7) The term "franchise" means one or more contracts, agreements, or understandings entered into by a manufacturer with another person by which such manufacturer undertakes to furnish to such other person, and such other person undertakes to act as a dealer for the retail sale of, new motor vehicles manufactured, assembled, or distributed by such manufacturer.

(8) The term "first purchaser", when used with respect to a motor vehicle, means the first person (other than a manufacturer, a dealer, or any other person engaged in business in the purchase of motor vehicles for resale) to whom possession thereof is transferred by or pursuant to the terms of a sale at retail or a contract for sale at retail.

(9) The term "person" means an individual, and any partnership, corporation, association, or other legal entity.

(10) The term "warranty" means an assumption by a manufacturer of liability to correct without cost to a warrantee damage to or defects in a motor vehicle at or after the time of delivery of possession of such motor vehicle to the first purchaser thereof.

(11) The term "warrantor" means a manufacturer who gives or has given a warranty with respect to a new motor vehicle.

(12) The term "warrantee" means the first purchaser of any new motor vehicle to whom a warranty is given or has been given with respect to such motor vehicle, and any other person who is entitled by the terms of such warranty to enforce against the warrantor the obligation of such warranty.

(12) The term "defect", when used with respect to a motor vehicle of any make and model, means (A) any defect in material, workmanship, assembly, adjustment, or performance of such motor vehicle or any component thereof, and (B) any failure of such motor vehicle or any component thereof to conform to standards or specifications therefor adopted by the manufacturer thereof, and (C) any failure of such standards or specifications to comply with any applicable requirement of any statute of the United States or any regulation or standard duly promulgated under any such statute for the design, construction, assembly, adjustment, or performance of new motor vehicles of that make and model.

(14) The term "component", when used with respect to a motor vehicle, means any component, part, or equipment of, and any accessory installed in or attached to, such motor vehicle.

(15) The term "service rendered", when used with respect to damage to or a defect in a motor vehicle, means all labor actually performed and all materials actually furnished at any time for the successful correction of that damage or defect.

(16) The term "Secretary" means the Secretary of Commerce.

(17) The term "Commission" means the Federal Trade Commission.

(18)) The term "interstate commerce" means commerce within the District of Columbia, the Commonwealth of Puerto Rico, or any possession of the United States, or between any place in a State and any place in another State, or between places in the same State through another State.

(19) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa.

EFFECTIVE DATES

SEC. 12. (a) Warranty standards and franchise standards prescribed by the Secretary under this Act shall take effect on such date not later than one year after the date of enactment of this Act, as the Secretary shall prescribe.

(b) Except as provided by subsection (a), this Act shall take effect on the first day of the seventh month beginning after the date of enactment of this Act.

S. 2728. A bill to require manufacturers of new household appliances distributed in interstate commerce or affecting interstate commerce to provide, in compliance with standards prescribed by the Secretary of Commerce, warranties effective to protect consumers from deception and unfair trade practices; to provide means for the enforcement of such warranties:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act, divided into sections according to the following table of contents, may be cited as the "Federal Household Appliance Warranty Act."

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WARRANTY REQUIREMENTS

SEC. 2. (a) No appliance manufacturer may at any time distribute or cause to be distributed in interstate commecre or affecting interstate commerce any new household appliance, or directly or indirectly transfer or cause to be transferred at any time to a first retail purchaser the possession of any new household appliance which has been transported or distributed in interstate commerce or affecting interstate commerce, unless there is affixed to such new household appliance or enclosed in the package in which such new household appliance is enclosed—

(1) A printed warranty given by such appliance manufacturer with respect to such new household appliance which complies with standards prescribed by the Secretary under this Act which are in effect at that time;

(2) A printed purchase notice prepared in such manner and form as the Secretary shall prescribe which bears a serial number which distinguishes that notice from all other similar notices furnished by such manufacturer;

(3) A printed claim notice prepared in such manner and form as the Secretary shall prescribe which bears a serial number identical to the serial number shown upon the

purchase notice affixed to or enclosed with such household appliance; and

(4) A printed summary statement of the rights and remedies conferred upon a warrantee by such warranty and by this Act, prepared in such manner and form as the Secretary shall prescribe, which shall include (A) advice to the warrantee to obtain from the retail dealer who furnished such household appliance a receipt or other instrument evidencing the sale or transfer of such household appliance to him and the retail sale price thereof and to retain possession of that receipt or instrument, (B) advice to the warrantee to transmit all communications to the manufacturer relating to such warranty by certified mail with return receipt of delivery, and (C) such other advice to the warrantee as the Secretary shall determine to be advisable to enable warrantees to exercise effectively such rights and remedies.

(b) After consultation with the Commission, the Secretary shall prescribe, in conformity with section 553, title 5, United States Code, (1) rules establishing standards pursuant to this Act for warranties given by appliance manufacturers, and (2) such other rules relating to such warranties as the Secretary is required to prescribe under this Act.

WARRANTY STANDARDS

SEC. 3. (a) Warranty standards prescribed by the Secretary under this Act shall require that each warranty given by an appliance manufacturer with respect to any new household appliance of any category shall include—

(1) Terms which state the name and address of the warrantor; identify the class or classes of persons, if any, who are obligated by contract or otherwise to fulfill the obligations of such warranty; and identify the class or classes of persons who are entitled as warrantees to enforce the obligation of such warranty;

(2) Affirmative provisions by which such household appliance is warranted, subject to exceptions made pursuant to paragraph (3) and paragraph (4), to (A) be free from damage and defects at the time of the delivery of possession thereof to the first retail purchaser thereof, and (B) remain free from defects for such period of time thereafter (not less than six months) as the Secretary shall have prescribed by rule for household appliance of that category;

(3) Provisions which except from the obligation of the warrantor under the warranty the obligation to correct any damage to or defect in any household appliance (A) proximately caused in the transportation thereof from the place of business of a retail dealer to the residence of the first retail purchaser thereof, or in the installation thereof in a dwelling, by the willful act or negligence of any person other than the appliance manufacturer, a retail dealer who is a party to a franchise entered into by the appliance manufacturer, or a person performing any such service under a contract or agreement entered into by the appliance manufactuer or such a retail dealer, or (B) resulting proximately from substantial abuse thereof by any person in use;

(4) Such provisions as the Secretary shall determine, with the concurrence of the Commission, to be required to protect appliance manufacturers from fraudulent and unconscionable warranty claims;

(5) Affirmative provisions under which any damage to or defect in such household appliance which is made the subject of a claim against the warrantor within six months after the time of transfer of possession thereof to the first retail purchaser thereof shall be presumed, in the absence of substantial proof to the contrary offered by the warrantor, to be a damage or a defect which the appliance manufacturer is obligated under the warranty to correct;

(6) Affirmative provisions by which the warrantor undertakes upon demand made by a warantee within the effective period of the warranty to correct without cost of any kind to the warrantee, within such period of time (not exceeding thirty days) as the Secretary shall prescribe for household appliances of that category, by the repair or replacement of such household appliance, all (A) damage to such household appliance which existed at the time of the transfer of possession thereof to the first purchaser thereof, and (B) all defects in such household appliance which may occur or become manifest within the effective period of the warranty, and which are not expressly excepted from the obligation of the warranty pursuant to paragraph (3) or paragraph (4) of this subsection;

(7) Provisions which specify with particularity the nature, extent, duration, conditions, and exceptions of any additional warranty given by the warrrantor with respect to such household appliance;

(8) Provisions for the adjustment and settlement upon written demand made by a warrantee, by arbitration conducted at a place in reasonably close proximity to the residence of the warrantee in conformity with the provisions of title 9, United States Code, and with rules which shall be prescribed by the Secretary, of any dispute arising from any claim made against the warrantor for the correction under such warranty of any alleged damage to or defect in any such household appliance; and

(9) Such other provisions as the Secretary shall determine from time to time after consultation with the Commission to be required to protect warrantees fully and effectively from deception and unfair trade practices by appliance manufacturers.

(b) No warranty given by any appliance manufacturer may include any provision by which the warrantor is relieved, or which purports to relieve the warrantor, of any obligation—

(1) To correct fully at the expense of the warrantor (A) any damage to or defect in any new household appliance which exists at the time of the transfer of possession thereof to the first purchaser, or (B) any damage to or defect in such household appliance which occurs or becomes manifest during the effective period of the warranty and which is not expressly excepted from the obligation of the warranty pursuant to paragraph (3) or paragraph (4) of subsection (a) of this section;

(2) With respect to any component part of a household appliance which (A) has been furnished or supplied to the appliance manufacturer by any other person, and (B) is installed in or attached to such household appliance at the time of transfer of possession thereof to the first retail purchaser;

(3) Arising under the law of any State with respect to any implied warranty of merchantability or fitness for a particular use; or

(4) With respect to the death of or personal injury to any person, or the loss of or damage to any property of any person, resulting proximately from any damage to or defect in any household appliance which is subject to the terms of a warranty given pursuant to this Act.

WARRANTY CLAIMS

SEC. 4. (a) Within seven days after the receipt by an appliance manufacturer of a claim notice from a warrantee alleging the existence of damage to or defects in a household appliance of any category with respect to which a purchase notice has been transmitted to the appliance manufacturer, and which is alleged to be subject to a warranty given by such manufacturer, such manufacturer by written reply to the warrantee, prepared in such form as the Secretary shall prescribe, shall—

(1) State whether or not such appliance manufacturer agrees that on the date of mailing of such claim notice such warranty was in effect with respect to such household appliance;

(2) If such appliance manufacturer agrees that such warranty was in effect with respect to such household appliance on that date, inform the warrantee of the name and address of one or more service facilities or service representatives reasonably accessible to the warrantee who are authorized at the expense of the appliance manufacturer to inspect such appliance and to make any correction of any damage to or defect in such household appliance to which the warrantee is entitled under the warranty;

(3) Transmit to the warrantee an arbitration demand form upon which there shall have been placed the serial number appearing upon the claim notice received by the appliance manufacturer from the warrantee for use by the warrantee in the event that (A) the appliance manufacturer denies that such warranty was in effect with respect to such household appliance on the date of mailing of such claim notice, or (B) the claim shall not have been adjusted and settled to the satisfaction of the warrantee within the period prescribed by the Secretary for household appliances of that category; and

(4) Inform the warrantee of the name and address of the person engaged in business or residing within the State in which the warrantee resides, at the place nearest to the place of residence of the warrantee, who has been designated as the agent of the warrantor for the purpose of accepting service of legal process.

(b) Whenever an appliance manufacturer who has received from a warrantee a claim notice as to a household appliance of any category which is alleged to be subject to a warranty given by such manufacturer (1) denies that such warranty was in effect with respect to such household appliance on the date of mailing of such notice, or (2) fails to adjust and settle that claim to the satisfaction of the warrantee within the period prescribed by the Secretary for the adjustment and settlement of warranty claims as to household appliances of that category, the warrantee may demand the arbitration of his claim by transmitting to the appliance manufacturer an arbitration demand form executed in substantial compliance with the instructions appearing thereon. Within seven days after receipt of any such demand, the appliance manufacturer shall take action effective to provide for the arbitration of such claim, in conformity with rules prescribed by the Secretary, at a place in close proximity to the residence of the warrantee. All expenses incident to such arbitration shall be paid by the appliance manufacturer, except that in any case in which it is determined by such arbitration that the claim was asserted in bad faith and that such claim was wholly without merit the claimant shall be required to reimburse the appliance manufacturer for all expenses so incurred. If upon such arbitration an award is made in favor of the warrantee, the appliance manufacturer shall comply fully with the terms of such award within fifteen days after the making of that award.

(c) Rules prescribed by the Secretary for the arbitration of warranty claims made with respect to household appliances of any category shall include effective provision for the examination and evaluation of any such household appliance which is the subject of a claim by an impartial person who is qualified by training and experience to determine whether the alleged damage or defects do in fact exist, the probable cause of all damage and defects which are found to exist, and the nature and extent of any action which is required for the satisfactory correction thereof.

(d) Whenever an appliance manufacturer

who has received from a warrantee a purchase notice and a claim notice with respect to a household appliance of any category which is alleged by such claim notice to be subject to a warranty given by the manufacturer, and such appliance manufacturer—

(1) Fails to reply to such claim notice within the time prescribed by this section in full conformity with the requirement of this section and with rules prescribed thereunder by the Secretary; or

(2) Having made timely reply to such claim notice in compliance with this section and such rules, after receipt from such warrantee of a demand for the arbitration of the claim of the warrantee fails to take in response to that demand all action required by this section and by rules prescribed thereunder by the Secretary within the time prescribed by this section; or

(3) Having so taken such action for arbitration, fails to comply with the terms of an arbitration award made in favor of the warrantee upon that claim within the time prescribed by this section.

such warrantee shall be entitled, notwithstanding any provision of title 9, United States Code, to recover from such appliance manufacturer, in a civil action instituted by the warrantee in any court of competent jurisdiction of the United States or of any State, a sum equal to (A) the retail purchase price paid or agreed to be paid for such household appliance by the first retail purchaser thereof, or (B) in any case in which such household appliance was furnished to the first retail purchaser thereof in exchange for or in the redemption of trading stamps or other tokens of value, the highest retail price for the purchase of a substantially identical household appliance manufactured, produced, assembled, or distributed by the defendant appliance manufacturer which was in effect at the time of the acquisition of such household appliance by the first retail purchaser in the vicinity of the place at which such household appliance was acquired by such first retail purchaser. A judgment entered in favor of the plaintiff in any such action may be conditioned, in the discretion of the court, upon the transfer by the plaintiff to the defendant of all right, title and interest of the plaintiff in and to the household appliance which was the subject of such action, but any such condition shall include terms effective to save the plaintiff harmless from any liability, expense, or damage arising from or incident to such transfer or to the removal of such household appliance from the residence of the plaintiff.

(e) Whenever judgment in favor of the plaintiff is entered in any action instituted pursuant to subsection (d), the plaintiff shall be entitled by such judgment to recover from the defendant, in addition to the judgment awarded under subsection (d), a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) determined by the court to have been reasonably incurred by the plaintiff for or in connection with the institution and prosecution of such action, including any proceedings for the review of any determination made therein. In any such action in which it is shown by a prevailing plaintiff that the defendant has failed for more than 90 days to comply fully with any obligation imposed upon such defendant by or pursuant to subsection (a) or subsection (b) of this section, the plaintiff also shall be entitled to recover from the defendant an indemnity in such amount, not less than $100 or more than $1,000, as the court shall determine to be proper unless the defendant shows by substantial evidence just cause for such failure.

(f) Nothing contained in this Act, or in any rules prescribed by the Secretary thereunder, shall bar the institution by any warrantee of any legal action in any court of competent jurisdiction of any State for the assertion of any claim made under the law of such State against any warrantor arising from any damage to or defect in any household appliance, except that no such action may be so instituted for the correction of any such damage or defect if the warrantee has made a demand under this Act for the arbitration of his claim for the correction thereof.

APPLIANCE MANUFACTURERS' REPRESENTATIVES

SEC. 5. (a) Within each State in which any household appliances of any category manufactured, assembled, produced, or distributed by an appliance manufacturer subject to the provisions of this Act are sold at retail or have been sold at retail within five calendar years, such appliance manufacturer shall—

(1) Establish service facilities or service representatives, or service facilities and service representatives, pursuant to rules which the Secretary shall prescribe; and

(2) Designate pursuant to rules which the Secretary shall prescribe one or more persons who are engaged in business or reside in such State to serve as agents of such manufacturer for the purpose of accepting service of legal process within that State.

(b) No appliance manufacturer subject to the provisions of this Act may enter into any franchise with any retail dealer for the retail sale of any new household appliances of any category within any State unless such franchise includes provisions under which such retail dealer undertakes to serve as the service representative of such appliance manufacturer with respect to such household appliances and as the agent of such appliance manufacturer for the purpose of accepting service of legal process within that State for all purposes.

(c) Rules prescribed by the Secretary under subsection (a) shall include provisions for the determination of the number and geographical distribution of each of the categories of representatives described in that subsection which each appliance manufacturer shall be required to establish or designate. To the greatest practicable extent, such rules shall provide for all retail purchasers of household appliances subject to warranty effective and reasonably convenient access to one or more representatives of each such category so established or designated by each appliance manufacturer.

(d) Contracts and agreements entered into by appliance manufacturers for the establishment of service representatives shall conform to rules which the Secretary shall prescribe after consultation with the Commission, in conformity with section 553, title 5, United States Code, to carry into effect the standards required by section 6 of this Act.

SERVICE REPRESENTATIVE CONTRACT STANDARDS

SEC. 6. (a) Standards prescribed by the Secretary under this Act for service representative contracts and agreements shall require that each such contract and agreement entered into by an appliance manufacturer on and after the effective date of this Act, and each such contract or agreement the term or duration of which is extended on or after that date, include—

(1) Provisions by which the appliance manufacturer is obligated to reimburse the service representative for all service rendered by such service representative for any inspection of, or the correction of any damage to or defects in, any household appliance manufactured, assembled, produced, or distributed by such appliance manufacturer to which any warrantee is entitled by the terms of a warranty given by such appliance manufacturer;

(2) Provisions by which the appliance manufacturer is obligated to make reasonable reimbursement to such service representative, in accordance with rules which the Secretary shall prescribe, for all administrative and other expenses incurred by such service representative in the furnishing of evidence in or in connection with the arbitration of, or the trial of legal actions arising from, warranty claims made against the appliance manufacturer upon warranties given by such manufacturer;

(3) Provisions by which the appliance manufacturer is obligated to make payment to such service representative for all service and expenses of the kinds described in paragraph (1) and paragraph (2) rendered for such appliance manufacturer by such service representative (A) at a time not later than the last day of the month next following the month in which such service representative transmits to the manufacturer written request for reimbursement for such service, and (B) in an amount equal to the aggregate amount which such service representative would receive for like service rendered to retail customers who are not entitled by the terms of a warranty to obtain such service without cost;

(4) Provisions by which the appliance manufacturer is obligated to make available promptly to each such service representative all repair parts and components required by such service representative for the prompt and satisfactory correction of all damage to and defects in household appliances of any category which have been manufactured or assembled by the manufacturer within the preceding period of 5 years;

(5) Provisions by which the appliance manufacturer is obligated to provide promptly to such service representative without cost such technical manuals and other technical information, and such technical analysis service beyond the capacity or competence of such service representative, as such service representative may require for the identification and correction of damage to and defects in all household appliances of any category with respect to which such service representative is obligated to render warranty service;

(6) Provisions for the adjustment and settlement upon written demand made by such service representative, by arbitration conducted in conformity with the provisions of title 9, United States Code, and with rules prescribed by the Secretary, of any dispute arising from any claim made by such service representative against the appliance manufacturer for any reimbursement or service pursuant to the terms of such contract or agreement; and

(7) Such other provisions as the Secretary shall determine from time to time after consultation with the Commission to be required to protect such service representatives from unfair trade practices by the appliance manufacturer.

(b) No such contract or agreement entered into by an appliance manufacturer may include any provision by which any service representative is obligated to assume any liability, other than liability as the agent of the appliance manufacturer pursuant to the terms of a warranty given by the appliance manufacturer, for the correction of any damage to or defects in any household appliance which are not proximately caused by any wrongful act or omission of such service representative.

SERVICE REPRESENTATIVE CLAIMS

SEC. 7. (a) In conformity with the provisions of section 553, title 5, United States Code, the Secretary after consultation with the Commission shall prescribe rules for (1) the making of demands by service representatives for the arbitration of claims of such service representatives against appliance manufacturers arising from the terms of service representative contracts and agreements, and (2) the adjustment and settlement of such claims by arbitration. Such rules shall conform as nearly as may be practicable to rules prescribed by the Secretary under this Act with respect to the arbitration of warranty claims.

(b) Whenever an appliance manufacturer

who has received from a service representative a demand for the arbitration of a claim asserted by such service representative against such manufacturer under the terms of a service representative contract or agreement, and such appliance manufacturer—

(1) Fails to take in response to that demand all action required by such rules within the time prescribed by such rules; or

(2) Having so taken such action for arbitration, fails to comply with the terms of an arbitration award made in favor of the service representative within the time prescribed by such rules,

such service representative shall be entitled, notwithstanding any provision of title 9, United States Code, to recover from such manufacturer, in a civil action instituted by the service representative upon such claim in any court of competent jurisdiction of the United States or of any State, such sum as such court shall determine to be just and proper.

(c) Whenever judgment in favor of the plaintiff is entered in any action instituted pursuant to subsection (b), the plaintiff shall be entitled by such judgment to recover from the defendant, in addition to the judgment awarded under subsection (b), a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) determined by the court to have been reasonably incurred by the plaintiff for or in connection with the institution and prosecution of such action, including any proceedings for the review of the determination made therein. In any such action in which it is shown by a prevailing plaintiff that the defendant has failed for more than 90 days to comply fully with any obligation imposed upon the defendant by rules prescribed under subsection (a) of this section, the plaintiff also shall be entitled to recover from the defendant an indemnity in such amount, not less than $100 or more than $1,000, as the court shall determine to be proper unless the defendant shows by substantial evidence just cause for such failure.

(d) Nothing contained in this Act, or in any rules prescribed by the Secretary thereunder, shall bar the institution by any service representative of any legal action in any court of competent jurisdiction of any State for the assertion of any claim made under the law of such State against any appliance manufacturer arising rrom the terms of a service representative contract or agreement, except that no such action may be so instituted upon any claim based upon any such contract or agreement if the service representative has made a demand for the arbitration of the same claim pursuant to the provisions of this section and rules prescribed thereunder.

RECORDS AND REPORTS

SEC. 8. (a) Each appliance manufacturer subject to the provisions of this Act shall prepare, compile, and maintain at its principal place of business such records as the Secretary after consultation with the Commission shall prescribe with respect to—

(1) Warranties given and service representative contracts and agreements entered into or extended by such manufacturer;

(2) Claims made against such manufacturer upon such warranties and upon such contracts and agreements;

(3) Demands made upon the manufacturer for the arbitration of such claims;

(4) Legal actions instituted in prosecution of such claims;

(5) Action taken by such appliance manufacturer with respect to each such claim and demand; and

(6) The time, manner, and terms of ultimate settlement of each such claim.

(b) Upon demand made by any duly authorized officer or employee of the Department of Commerce or the Commission during business hours of any business day, each appliance manufacturer shall grant to such officer or employee access to all such records to inspect, evaluate the contents of, and make copies of any of the papers contained in or constituting a part of such records.

(c) Under such regulations as the Secretary shall prescribe from time to time after consultation with the Commission, each appliance manufacturer shall transmit to the Secretary and to the Commission in January of each year a report which shall include full, complete, and accurate information, prepared in such manner and form as the Secretary shall prescribe after consultation with the Commission, as to—

(1) The number of purchase notices received by such manufacturer during the preceding calendar year with respect to each category of household appliances;

(2) The number of defect claim notices received by such appliance manufacturer during that year with respect to each category of household appliances;

(3) The nature of each category of alleged damage or defects which were the subject of such warranty claims with respect to each category of household appliances;

(4) The number of claims made against such appliance manufacturer during that year under service representative contracts and agreement entered into or extended at any time by such appliance manufacturer and the nature of each category of such claims;

(5) The number of such warranty claims, and the number of such claims under service representative contracts and agreements, of each such category received by such appliance manufacturer during that year which were settled during that year, and the nature and manner of disposition of such claims;

(6) The total number, and the number of each such category, of such warranty claims and of such claims under service representative contracts and agreements received by such appliance manufacturer during that year which were not settled during that year, and the reasons for failure of settlement of claims of each such category;

(7) The total number, and the number of each such category, of such warranty claims and of such claims under service representative contracts and agreements received by such appliance manufacturer during all preceding years which were not settled during the calendar year for which the report is made, and the reasons for failure of settlement of claims of each such category; and

(8) Such other matters as the Secretary shall determine after consultation with the Commission to be required for the evaluation of the extent of the compliance by such appliance manufacturer with the requirements of this Act and with the terms of warranties given and service representative contracts and agreements entered into or extended by such appliance manufacturer at any time.

(d) A copy of each report received by the Secretary from each appliance manufacturer under this section shall be placed in a file which shall be established within the Department of Commerce. The Secretary shall prepare an appropriate index to that file to facilitate the identification of and access to all such reports filed by each manufacturer. Under such regulations as the Secretary shall prescribe, reports contained in that file and the index thereto shall be available for inspection by members of the public during business hours of the Department of Commerce.

(e) On or before April 1 of each year, the Secretary shall transmit to the Congress and to the Commission a report which shall contain—

(1) A summary of the information contained in reports made to the Secretary by all appliance manufacturers under this section with respect to the preceding calendar year;

(2) An evaluation by the Secretary of the extent to which compliance with (A) the requirements of this Act, (B) the requirements of standards prescribed under this Act, and (C) the terms of warranties given and service representative contracts and agreements entered into or extended pursuant to such standards, has been achieved; and

(3) The recommendations of the Secretary for such additional legislation as he may deem necessary or desirable, after consultation with the Commission, to obtain (A) effective compliance in good faith by appliance manufacturers with such requirements and terms, (B) the establishment and maintenance by appliance manufacturers of manufacturing practices and quality control procedures effective to reduce substantially the amount of damage to and the number of defects occurring in new household appliances, and (C) provision for the rendition of prompt and effective service to warrantees for the correction of damage to or defects in household appliances subject to warranty.

ENFORCEMENT

SEC. 9. (a) It shall be a violation of paragraph (1) of section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)) for any appliance manufacturer subject to the provisions of this Act—

(1) To fail to comply with any requirement imposed upon such appliance manufacturer by or pursuant to this Act or to violate any prohibition contained in this Act; or

(2) Wrongfully to decline or fail to fulfill any obligation to any warrantee or service representative imposed upon such appliance manufacturer by or pursuant to this Act or by the terms of any warranty given or service representative contract or agreement entered into pursuant to the requirements of this Act.

(b) It shall be a violation of paragraph (1) of section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)) for any retail dealer engaged under a franchise in the retail sale of new household appliances to decline or fail to fulfill any obligation to any warrantee imposed upon such retail dealer by or pursuant to this Act or by the terms of such franchise unless such dealer shows by substantial evidence that for reasons beyond the control of such retail dealer fulfillment of that obligation was not possible.

PENALTIES

SEC. 10. (a) In any action under section 5 of the Federal Trade Commission Act for the recovery from any appliance manufacturer of any civil penalty for the violation of a final cease and desist order of the Commission entered pursuant to section 9(a) of this Act, each day of the continuance of the violation of each separate provision of that order shall be deemed to be a separate offense.

(b) Whoever, being (1) an appliance manufacturer subject to the provisions of this Act, (2) an officer, employee, or agent of such an appliance manufacturer who is charged by such appliance manufacturer with a duty to comply with any requirement imposed upon such appliance manufacturer by or pursuant to section 2(a) of this Act, (3) a person obligated by contract or agreement entered into with such an appliance manufacturer to comply on behalf of such appliance manufacturer with any such requirement, or (4) an officer, employee, or agent of any such person who is charged by such person with a duty to discharge such obligation of such person, willfully fails to affix to any new household appliance, or to enclose in the package in which any new household appliance is enclosed, any item required by that section to be affixed to such new household appliance, or enclosed in such package, before such new household appliance is delivered to any other person

for distribution in or affecting interstate commerce, or for the transfer of possession thereof to the first purchaser thereof, shall be fined not more than $1,000, or imprisoned not more than one year, or both. Each violation of this subsection with respect to each new household appliance of any category shall be deemed to be a separate offense.

(c) Whoever willfully—

(1) Removes from any new household appliance, or from the package in which any new household appliance is enclosed, any item which is required by or pursuant to section 2(a) of this Act to be affixed to such new household appliance, or to be enclosed in such package; or

(2) Alters, defaces, or by any means renders illegible the printed matter appearing upon any such item,

before the transfer of actual possession of such new household appliance to the first purchaser thereof shall be fined not more than $1,000, or imprisoned not more than one year, or both. Each violation of this subsection with respect to each new household appliance shall be deemed to be a separate offense.

(d) Whoever, being a person who is obligated by this Act, by any rule or regulation prescribed under this Act, or by any requirement imposed by an appliance manufacturer upon any officer, employee, or agent of such appliance manufacturer, to prepare, compile or maintain any record in compliance with section 8(a) of this Act, willfully fails to comply with such obligation, or willfully fails to accord access to such record in compliance with section 8(b) of this Act, shall be fined not more than $10,000, or imprisoned not more than five years, or both.

(e) Whoever, being a person who is obligated by this Act, or by any requirement imposed by an appliance manufacturer upon any officer, employee, or agent of such appliance manufacturer, to make any report under section 8(c) of this Act—

(1) Willfully fails to file such report within the period of time prescribed by section 8(c) of this Act;

(2) Files any such report containing any information which is false or misleading, with knowledge or with reason to believe that such information is false or misleading; or

(3) Files any such report from which there has been omitted any information required by this Act, or by any rule or regulation promulgated under this Act, to be contained therein, with intent to conceal such information,

shall be fined not more than $10,000, or imprisoned not more than five years, or both.

(f) Any person who has been designated under rules prescribed by the Secretary to serve as an arbitrator of any claim made pursuant to this Act shall be deemed for the purposes of such service to be a public official within the meaning of section 201, title 18, United States Code.

DEFINITIONS

SEC. 11. As used in this Act—

(a) The term "Secretary" means the Secretary of Commerce.

(b) The term "Commission" means the Federal Trade Commission.

(c) The term "interstate commerce" means commerce within the District of Columbia, the Commonwealth of Puerto Rico, or any possession of the United States, or between any place in a State and any place in another State, or between places in the same State through another State.

(d) The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa.

(e) The term "household appliance" means any article, product, machine, or device included within the following categories which is manufactured, produced, or assembled primarily for use as a fixture in private residences or for household or family use, and which is operated by, or in operation consumes, electrical energy, gas, gasoline, or any other petroleum product:

(1) Stoves, ranges, and ovens, separately or in combination;

(2) Food and beverage refrigerators and freezers, separately or in combination;

(3) Dish washers;

(4) Water heaters (except portable heaters);

(5) Garbage disposing devices and garbage or trash incinerating devices;

(6) Furnaces, heating elements, and other devices (except portable devices) intended for the heating of private residences;

(7) Central and unit air conditioning machines and devices;

(8) Clothes washing and clothes drying machines, separately or in combination;

(9) Vacuum cleaners and vacuum cleaning systems;

(10) Humidifying and dehumidifying machines and devices;

(11) Fans (other than portable fans having a blade diameter not exceeding 10 inches) and ventilating devices and systems;

(12) Radio sets and receivers (except radio sets and receivers operated exclusively by battery power), radio tuners, radio amplifiers, television sets, and phonographs or phonograph record players, separately or in combination;

(13) Lawn mowers, leaf collectors, cultivators, tractors, and other machines or devices designed primarily for use in the care of residential lawns or in residential gardening;

(14) Snow removal machines and devices designed primarily for use upon residential sidewalks or driveways;

(15) Tools other than those designed exclusively for industrial use; and

(16) Any other category of power-operated articles, products, machines, and devices which the Secretary shall determine from time to time after notice and opportunity for hearing (A) to be in common use as fixtures in private residences, or in common household or family use, and (B) to have an average price per unit which equals or exceeds $100 when purchased at retail by individuals for household or family use.

(f) The term "new household appliance" means a household appliance the possession of which has not been transferred to the first retail purchaser thereof.

(g) The term "appliance manufacturer" means—

(1) In the case of an imported household appliance, the importer thereof;

(2) In the case of a domestic household appliance which, when distributed at retail, bears the mark of an appliance distributor who did not manufacture, assemble, or produce such household appliance, such appliance distributor;

(3) In the case of any other domestic household appliance which, when distributed at retail, bears the mark of the person who manufactured, assembled, or produced such household appliance, the person who manufactured, assembled, or produced such household appliance; and

(4) In the case of a domestic household appliance which, when distributed at retail, does not bear the mark of any person, the retail dealer who transfers possession of such household appliance to the first retail purchaser thereof.

(h) The term "appliance distributor" means a person engaged in business in one or more States in the distribution of household appliances at any level of distribution.

(i) The term "domestic household appliance" means a household appliance manufactured, assembled, or produced by a person engaged in business in one or more States.

(j) The term "imported household appliance" means a household appliance manufactured, assembled, or produced by a person who is not engaged in business in any State.

(k) The term "mark," when used with respect to any person, means a proprietary trade mark, trade name, brand name, or other identifying commercial designation for household appliances of any category which is the property of such person or which is used by such person under license or other authorization received from the owner of such proprietary trade mark, trade name, brand name, or other identifying commercial designation.

(l) The term "retail dealer" means a person engaged in business in one or more States in (1) the retail sale of new household appliances of any category, or (2) the furnishing of any such new household appliances in exchange for or in the redemption of trading stamps or any other tokens of value which have been issued by retail merchants in connection with the sale to consumers of merchandise or commodities of any kind.

(m) The term "franchise" means one or more contracts or agreements entered into by an appliance manufacturer with another person by which such appliance manufacturer undertakes to furnish to such other person, and such other person undertakes to act pursuant to policies or under conditions determined or to be determined in whole or in part by such appliance manufacturer as a retail dealer for the retail sale of, any category of new household appliances manufactured, assembled, produced, or distributed by such appliance manufacturer.

(n) The term "first retail purchaser", when used with respect to a household appliance, means the first person (other than an appliance manufacturer or an appliance distributor) to whom possession thereof is transferred (1) by or pursuant to the terms of a sale at retail or a contract or agreement for sale at retail, or (2) in exchange for or in the redemption of trading stamps or any other tokens of value which have been issued by retail merchants in connection with the sale to consumers of merchandise or commodities of any kind.

(o) The term "person" means an individual, and any partnership, corporation, association, or other legal entity.

(p) The term "warranty", when used with respect to a household appliance, means an instrument by which an appliance manufacturer assumes legally enforceable liability to correct without cost to a warrantee damage to or defects in a household appliance manufactured, assembled, produced, or distributed by such appliance manufacturer at or after the time of the transfer of possession of such household appliance to the first retail purchaser thereof.

(q) The term "warrantor" means an appliance manufacturer who gives or has given a warranty with respect to a new household appliance.

(r) The term "warrantee" means the first retail purchaser of any new household appliance to whom a warranty is given or has been given with respect to such household appliance, and any other person who is entitled by the terms of such warranty to enforce against the warrantor the obligation of such warranty.

(s) The term "defect", when used with respect to a household appliance, means—

(1) Any defect in material, workmanship, assembly, adjustment, or performance of such household appliance;

(2) Any failure of such household appliance of any category to conform to standards or specifications therefor which shall have been adopted by the appliance manufacturer; and

(3) Any failure of such standards or specifications to comply with any applicable requirement of any statute of the United States or of any State, or any regulation or standard

duly promulgated under any such statute, relating to the safety of new household appliances of that category in use.

(t) The term "service facility", when used with respect to an appliance manufacturer, means a facility operated by such appliance manufacturer for the performance of obligations of such appliance manufacturer under the terms of warranties given by such appliance manufacturer with respect to household appliances of one or more categories.

(u) The term "service representative", when used with respect to an appliance manufacturer, means a person who undertakes or has undertaken, by contract or agreement entered into with such appliance manufacturer, to perform at the expense of such manufacturer any inspection of, or correction of damage to or defects in, one or more categories of household appliances manufactured, assembled, produced, or distributed by such appliance manufacturer under the terms of warranties given by such appliance manufacturer.

(v) The term "service rendered", when used with respect to damage to or a defect in a household appliance, means all labor actually performed and all materials actually furnished at any time for the successful correction of that damage or defect.

(w) The term "package", when used in relation to any household appliance, means any container or wrapping of any kind in which such household appliance is enclosed for use in the display thereof to prospective retail purchasers or in the delivery thereof to the first retail purchaser thereof.

(x) The term "purchase notice", when used in relation to any household appliance, means a printed business reply post card bearing on one side the name and address of the manufacturer of such household appliance, and on the other side an identification of such household appliance by category and model or other identifying description and appropriate blank spaces for the insertion of information as to—

(1) The name and address of the first retail purchaser of such household appliance;

(2) The date of the transfer of possession thereof to such purchaser; and

(3) The name and address of the retail dealer from which such household appliance was acquired by such purchaser.

(y) The term "claim notice", when used in relation to any household appliance, means a printed business reply post card bearing on one side the name and address of the manufacturer of such household appliance, and on the other side an identification of such household appliance by category and model or other identifying description and appropriate blank spaces for the insertion of information as to the (1) name and address of the claimant, and (2) nature of damage to and defects in such household appliance with respect to which claim may be asserted by such claimant.

(z) The term "arbitration demand form", when used in relation to any warranty claim based upon any alleged damage to or defects in any household appliance, means a printed business reply post card bearing on one side the name and address of the manufacturer of such household appliance, and on the other side such matter, blank spaces, and instructions for use as the Secretary shall prescribe as an appropriate form for use in the assertion by warrantees of demands for the arbitration of warranty claims.

EFFECTIVE DATE

SEC. 12. This Act shall take effect on such date, not earlier than six months or later than one year after the date of enactment of this Act, as the Secretary shall prescribe, except that at any time after the date of enactment thereof the Secretary may prescribe pursuant to the provision of this Act rules which shall take effect on the effective date of this Act.

The articles, presented by Mr. HAYDEN are as follows:

[From the Wall Street Journal, Apr. 25, 1967]

WARRANTY WOES: NEW AUTO GUARANTEES TOUCH OFF COMPLAINTS FROM OWNERS, DEALERS—MOTORISTS GRUMBLE AT DELAYS—CAR SELLERS CALL MAKERS' REPAIR PAYMENTS TOO LOW—DETROIT'S ANSWER TO CRITICS

(By Tim Metz)

Pity Bill Wampler of Wichita, Kans.

A few days after he received delivery of his new 1966 Mustang late last year, its gears began locking intermittently. The car wouldn't move unless he set the gears right by jiggling the manual gear shift. They locked once in traffic, and his car was hit from the rear by another car. Shortly after that, the Mustang's roof upholstery fell over Bill's head while he was doing 65 miles an hour on a highway. He barely managed to avert a crash.

Bill got the gear repairs paid for by his Ford warranty only after several trips to his dealer and a test drive of the car by a Ford factory representative (fortunately, the gears stuck with the Ford man behind the wheel). The dealer agreed to make only temporary repairs on the roof upholstery, claiming it was loosened by the accident and wasn't Ford's fault.

Bill, a 21-year-old aircraft worker, vows he'll never own another Ford.

Bill's problems with his car are extreme, of course. But the sort of battle he had to wage to get it repaired under his warranty is becoming more and more frequent these days. Indeed, the long-term new car warranty, which auto makers hailed as the solution to motorists' repair bill woes, is turning into a frustrating and sometimes costly headache for new car owners and dealers alike.

LONGER WAITS

The crush of warranty work that has accompanied the longer and broader warranties is resulting in longer waits for service and more hassles over what is covered and what isn't. The problem is accentuated by some dealers' claims that car makers aren't fully compensating them for repairs done under warranties. The auto makers deny such is the case, but in a number of instances dealers insist they are being forced to try to boost shop revenues by talking customers into repairs that are not covered by warranties and that even the dealers themselves concede are sometimes of questionable necessity.

The big jump in warranty disputes came this year when Ford Motor Co., General Motors Corp. and American Motors Corp. joined Chrysler Corp. in offering five-year or 50,000-mile warranties on defective "power train" parts—including the engine, transmission, differential and rear wheels. Chrysler adopted this "5 or 50" warranty in 1963. As recently as 1960, all new cars carried warranties good for only three months or 4,000 miles.

Instead of being grateful for this boon, however, motorists are complaining. Consumers Union, an organization that tests and evaluates consumer products, says a recent survey showed that 25% of new car owners "reported they failed to get proper repairs under warranty."

"LEMON LETTERS"

Some car owners are turning to Washington for help. The National Traffic Safety Agency has received "floods of complaints on every conceivable aspect of car warranties," says William Haddon Jr., administrator. Since last summer, over 500 car owners have sent complaints to a new Senate subcommittee on consumer problems, headed by Sen. Warren Magnuson. "We've gotten so many we've had to establish a special 'lemon letter' section in our files," says an aide to the committee.

The Federal Trade Commission has launched a broad inquiry into Detroit's warranty practices and has asked car makers to provide extensive information on the number of claims they have received, how much mechanics are paid for warranty work and how many claims are rejected. Public hearings could follow.

Auto makers and dealers are quick to point out that many—perhaps most—of the complaints they get are from owners who haven't read their warranties and are demanding payment for repairs not covered. Companies won't pick up the bill for parts that fail due to wear or misuse, for example, and owners must keep their warranties in effect by having various parts serviced regularly during the year and having this service work certified by their dealers.

SIGNING A STATEMENT

A few car dealers go to some lengths to make sure their customers understand warranty provisions. In Cleveland, Ford dealer Chuck Kane makes car buyers read their warranty thoroughly before they accept delivery and asks them to sign a statement that they understand it. Mr. Kane also urges new car buyers to inspect their vehicles carefully before driving them home.

Yet some dealers contend that auto makers' advertising leads many buyers to consider this kind of caution unnecessary. The ads cause "the customer to believe he'll never have to pay for service as long as he owns the car," asserts Dawson Taylor, who sells Chevrolets in Detroit. He estimates that the regular servicing required to keep a warranty in force costs owners about $75 a year.

Sometimes it's the dealers who apparently don't fully understand warranty provisions. Richard Mulholland, a Tampa, Fla., lawyer, says he recently had some problems with the radio on his new 1967 Chevy Caprice. Non-power-train parts on General Motors' cars are covered by a two-year or 24,000-mile warranty, but Mr. Mulholland says that when he took his car to his dealer to be fixed, the service man claimed the radio wasn't covered by the warranty.

Mr. Mulholland took his case to the dealer's manager, who agreed to make the repairs. But after several repair attempts the radio still didn't work properly, and Mr. Mulholland threatened the dealer and GM with a law suit before the radio was replaced.

Dealers reply that they can't be blamed for being hesitant to tackle a lot of warranty-paid repairs. They contend that if they accept a repair job and the factory doesn't approve it—though this doesn't happen frequently—the cost comes out of their own pocket. Moreover, many of them assert that Detroit is a slow payer when it comes to reimbursing them for warranty repair expenses and that when the reimbursement comes it often isn't as large as an individual customer would pay for the same work.

Auto makers reimburse dealers for warranty work under schedules geared to the labor rate in the dealer's market area. The resulting payments vary widely from region to region. A small town Pennsylvania dealer says he gets $4.50 an hour from the factory; a San Francisco dealer gets $11 an hour.

WARRANTIES' EXPANDING ROLE

Before warranties started growing more extensive, practically none of dealers' service business was warranty work paid by Detroit. In 1966, however, warranty repairs accounted for 13% of all service work in U.S. car dealerships, according to the National Automobile Dealers Association. And one Ford official estimates that such work will make up fully half the average dealer's service business within a few years—directly as a result of the industry's jump to the "5 or 50" warranties.

With warranty work growing so rapidly and with warranty payment schedules sometimes short of what dealers consider adequate, some dealers concede they are press-

ing customers harder to agree to repairs not covered by warranties. "We're looking over the warranty customer's car harder than ever to find other work that needs to be done," says a Dodge dealer in Colorado. He asserts that Chrysler pays him 50 cents an hour less for labor than individual customers pay.

Says a Milwaukee dealer: "We can hit a warranty customer for a $15 wheel balancing and aligning job easy, even if he has only 1,000 miles on his car."

Other dealers say they make up for warranty repair costs not paid by the auto makers simply by billing the customer for them. This applies mainly in cases where the dealer didn't sell the car to the customer, even though warranties are supposed to be good at any authorized dealer of an auto company.

DEALER'S EXPLANATION

One Dodge dealer in California explains it this way: "About once a week someone will show up in our shop in a new car with the engine sputtering. The remedy is to change a carburetor part. Chrysler will pay us only $7.50 an hour for the work and will allow only nine-tenths of an hour to fix it. But the repair takes my mechanic two hours. At our retail labor rate (of $8.50 an hour) that's a $17 job.

"Unless I sold the car, I'll charge the guy the $10.25 difference between what Chrysler pays and our own rate. I'm not going to take a loss for somebody else's customer."

In Detroit, such practices are declared to be "isolated cases." Moreover, manufacturers claim that most dealer gripes about labor costs are groundless.

Company reimbursement to dealers "usually will coincide with the dealer's retail rate to customers," says James Roche, president of GM. Robert C. Graham, Ford service research and operations manager, puts it more bluntly. "The dealers' use of the term 'retail labor rate' has no reference to the real world," he says. "Very few dealers have even the slightest idea of what their labor costs really are." Mr. Graham also thinks tighter regulation by dealers of their mechanics' work schedules would help resolve many labor cost complaints.

EXPANDING SERVICE FACILITIES

Auto makers have moved to reduce warranty complaints. Ford and GM say they recently started reimbursing dealers faster. Companies are pushing dealers to expand their service facilites to handle the extra warranty work and have joined dealers in the search for more and better mechanics.

Ford has computers at work to keep an accurate service history of each car it builds. Chrysler is preparing a similar system to begin operating this fall. The systems are supposed to help prevent claims frauds, such as the sort that occur when customers turn back their odometers to qualify for warranty work, and also to make sure that customers get the warranty work to which they are entitled. The companies say that in a few recent cases dealers' failure to honor warranty claims properly has been a factor in franchise cancellations.

What remains to be seen, however, is whether the long-term warranties will result in any appreciable savings to motorists. The companies unanimously say they will. Obviously, every dollar they pay for repairs under a warranty is a dollar saved for a car owner.

Yet auto men also agree that this year's longer warranties were a factor in raising new car list prices by $56 to $69 a model above those of 1966. "Warranties are a significant factor in the pricing of cars," says an official of one major maker. "A part, but not all, of the warranty cost was built into the price of the 1967 models and will be again for 1968."

Some dealers say they, too, are pushing for higher prices to offset warranty costs. Sam Sottile, vice president of L. I. Tompkins Inc., a Pawling, N.Y., dealer in Chevys, Pontiacs and Cadillacs, says his firm is trying to add $80 to $90 to the price of each car it sells to cover "extra paper work and warranty administration expenses."

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[From Consumer Reports, April 1967]

WARRANTIES: THE PROMISE AND THE REALITY

If we judged new cars only on how well they were put together, we would rate most of the 1967 models so far tested Not Acceptable. Nearly all 26 of them were delivered "partly assembled," as one of our road-testers puts it. Almost all the defects we've uncovered so far can be traced to inexcusable lapses in factory design or assembly, often compounded by equally inexcusable oversights on the part of the dealers who "prepared" the cars for delivery.

Work left undone on the assembly line or at the dealer's shop is papered over with promises in the warranty—promises made in the name of the manufacturer and the dealer. Indeed, the new-car warranty is sometimes an inverse indicator of quality control. When a maufacturer starts "liberalizing" that warranty, watch out. Faced with a choice of tightening inspection procedures or extending the terms of warranty, Detroit tends to choose the latter course as the one yielding more immediate profit.

This year may be a case in point. All four major U.S. car makers have extended the general warranty to 24 months or 24,000 miles, whichever comes first, and boosted the warranty on the power train, steering system, and suspension system to five years or 50,000 miles.

We have published a list of defects found in our test cars in each issue of the Reports since January, when the first test results on 1967 cars appeared. By rough measure, this year's cars arrived in worse shape than any previous batch—and recent previous batches were not exactly the pride of Detroit.

The slapdash assembly of CU's test cars isn't the only recent evidence of quality-control backsliding in the face of grandoise promises. The response of new-car owners who filled in our two most recent Annual Questionnaires confirms the dismal trend. Asked whether their new cars were delivered in satisfactory condition, 26% of the respondents in 1965 said they were not. In 1966, the level of dissatisfaction rose to 33%.

Thus, a large percentage of car buyers seem to have reason to test the promises in the warranty. Back they will go to the dealer with a list of defects discovered not after four years or two years or one year, but within a month, a week, or a day of when they took possession.

What sort of satisfaction can they expect? None too good, our Annual Questionnaire returns suggest. Of respondents who said last year that their new cars had come with defects, 25% reported that they failed to get proper repairs under warranty.

After surveying the car market as last year's models went on sale, *The Wall Street Journal* reported that "A growing number of customers . . . find the red carpet laid out for them by dealer salesmen is yanked out from under their feet after their cars have been delivered—and found wanting." And a harried car seller wrote in the "Dealer Forum" of *Automotive News*:

"I asked my general manager how many cars we could deliver a day if we prepared them as we would like to prepare them. 'One,' he said. But we have to deliver six or seven a day. And you should see the condition in which we receive cars from the factory. The factory at one time fitted car doors. Now they just hang the doors on the car and let the dealer do the fitting. And no matter how hard we try, we just can't get our warranty costs out of the factory. We have to try to get it out of our margin on new cars. . . . It's a shame what we do to the buyers at times. . . ."

It's a shame, all right, and it may also be a breech of warranty. Manufacturers and dealers alike seem to feel that they can honor that contract or not as their own interests dictate—or even as a way to reward or punish their customers. If you keep coming back with rattles, leaks, and squeaks, you become known as a "homing pigeon." The nickname is not meant as a compliment.

The dealers have their problems, no doubt about it. The factory probably won't reimburse them for the labor and overhead costs of tracking down an elusive defect. Here's how an *Automotive News* survey describes the dealer's position, and his attitude toward complainers:

"Suppose a customer drives in with a complaint about his new car. A quick check shows that the factory will never pay for correcting it and the customer is most unlikely to pay. How much will the typical dealer spend to make this customer happy? Dealers surveyed . . . were asked for their views on this question. A dealer in Texas came up with an answer which is almost as good as any: 'Absolutely no way to answer this.' The dealer went on to explain that he wouldn't spend a thing on the man who was a price shopper when he bought the car and lives outside of the dealer's area. The local price shopper would get 'very little.' However, this dealer will spend 'quite a bit' on the long-time, repeat customer and an almost-unlimited amount on a major fleet customer.

"A dealer in Indiana answered this way: 'Depends on how nice (or ugly) he was when we traded with him'."

When a dealer does try to honor a warranty, he runs the risk of being overruled by the factory and left holding the bill. A case in point concerns the distributor shaft in the 1967 *Plymouth Belvedere II* sedan we tested. Its performance did not meet Chrysler Corp. specifications: The shaft wobbled excessively, throwing off the ignition timing and engine firing. The defect showed up on our laboratory scope. An ordinary driver probably wouldn't have noticed it until cylinder began to knock.

Having no replacement distributor assembly in stock, the dealer took one from another new car. The second distributor shaft exhibited a similar defect. When the dealer telephone the *Plymouth* zone service manager for permission to order the part under warranty, he was told that the warranty did not cover this $36 item. A member of CU's auto test staff then called the service manager himself and was told the same story. Only after the CU representative read the warranty over the phone did the service manager back down. Whether he would have given ground to a less persistent buyer, we can't say.

THE PARTS SHORTAGE

Parts shortages often make a mockery of warranties, too, especially during the first few months of a new model year. The main fusible link in the electrical system burned out on our *Plymouth Fury III* test wagon, immobilizing the car completely. Local dealers were at a loss to replace it—they couldn't find the fuse at any dealer or parts depot in the area. One of them placed an order with the factory, but two months later no fuse had yet arrived. Other parts that had to be special-ordered for our test cars included an accelerator pedal for the *Ambassador*; body parts for the *Chevrolet Caprice* station wagon; a hood latch and striker and a speedometer head for the *Chrysler Newport*.

Our *Buick Special* test car was among those called back when the manufacturer discovered a safety defect in its collapsible steering column. It was several weeks after the recall was announced in the newspapers when our dealer notified us to bring in the

car; until then, he said, no replacement steering columns had been sent to him. Apparently he was not the only one with the problem. *Automotive News* surveyed dealers along the Florida Gold Coast and reported on January 30: "Practically every General Motors dealer was being embarrassed by customers coming in because of the publicity that has been released about the steering gear fix. The dealers said they have no parts to correct this item, nor have they been shipped parts . . . [for] the new cars they have in stock."

Across the country this winter, dealers were being swamped with service and repair orders. It was difficult to get an appointment with some of them, and cars sometimes were stranded in back shops for days and weeks. Huge sales volume in the past few years no doubt has contributed to the overload. So has the fact that auto makers have reduced the number of dealerships. General Motors had about 17,000 dealers in 1955 but only about 13,500 in 1967. Ford, in the midst of the 1964-to-1966 splurge in car buying, cut its dealerships by about 5%.

The surviving dealers must live with a severe shortage of competent mechanics—another factor that makes life difficult for car owners. Aircraft, defense, and space industries outbid auto dealers for the local talent in some areas. The American Motors dealer who sold us our *Ambassador* was down to one mechanic; and the car, which had an unconscionably long list of defects, stayed in his shop two and three weeks at a stretch.

The service crisis has been building up for several years, and nowhere are its implications better understood than in the auto makers' headquarters. Yet when sales began tailing off from record levels last April, the first gimmick Detroit's sales departments came up with was a new set of warranties that promised free service for a longer period. Once again, the battle of reliability was to be fought in advertising media instead of in the factory.

With the 1967 models about due, General Motors, Ford, and American Motors announced that they would match Chrysler Motors' five-year or 50,000-mile coverage of the power train. Since those companies already covered the rest of the vehicle with a 24-month or 24,000-mile warranty, against Chrysler's 12-12 general coverage, they could brag that their extended warranties would be superior to Chrysler's. Not for long. Chrysler promptly adopted the 24-24 general warranty, then raised the bet by adding suspension and steering systems to its 5-50 coverage. The rest of the field then matched Chrysler. "Warranty is the Name of the (Ad) Game in Detroit," ran a headline in *Advertising Age*.

The newest escalation accomplished one thing for sure: It focused attention on what *Automotive News* describes as "the angry sore of factory-dealer relationship regarding warranties." The Federal Trade Commission, often called on to quiet internecine warfare in the business community, opened an investigation. It had reason to believe, it said, that some industry members "may have failed to inform the purchasing public of the conditions, terms, and provisions of motor vehicle guarantees and warranties and may have failed to perform in accordance with the conditions, terms and provisions."

WHOM DOES THE WARRANTY PROTECT?

If the warranty is chiefly a sales tool, it is also a legal safeguard for the manufacturer and his franchised dealers—not for the consumer. An *Automotive News* reporter put it in a nutshell: "When you hear the warranty jingle on television, every qualification sounds like a promise."

The attorneys who write new-car warranties to the specifications of the sales department are experts in the law of sales and product liability. They make sure that the warranty takes fullest advantage of state laws modeled on the Uniform Commercial Code—a code drafted with a minimum of concern for consumer interests.

In keeping with the Uniform Commercial Code, every new car comes labeled with words to this effect: "This warranty is the only warranty applicable . . . and is expressly in lieu of any warranties otherwise implied by law; including, but not limited to, *implied warranties of merchantability* or *fitness for a particular use.*" Note well the words that we have italicized. They are lifted right out of the Code. What it means, the manufacturers will one day argue in court, is that if your car turned out to be a lemon, you took the risk with your eyes wide open. It does not mean that you can buy a new car with "peace of mind," as Detroit would have you believe.

"You will have even more peace of mind and satisfaction from your new *Buick* if you thoroughly understand the protective features of the New Vehicle Warranty," says a General Motors owner's manual. But every word in the warranty, no matter how generous it may sound, is really an attempt to limit the manufacturer's responsibility.

The most generous-sounding part of the warranty covers power train parts—engine, transmission, differential, etc.—for five years or 50,000 miles. Yet a General Motors executive told *Business Week* several years ago that, with proper maintenance, those components should easily endure for 100,000 miles. The GM warranty, like all others, then enumerates dozens of parts as excluded from 5–50 coverage, including the radiator, carburetor and fuel pump, fan, engine mounts, starter, generator and brake system—reasonable enough, since those parts are known to wear with ordinary use. Some of the excluded parts come under the 24,000-mile warranty. But a few apparently are not warranted at all.

For example, the minute you drive your new car away from the showroom, the warranty covering brake and clutch linings, spark plugs and ignition points, filters, crankcase ventilation valve, and wiper blades becomes ambiguous. The same is true of engine timing adjustments, wheel alignment and balancing, brake adjustments, and headlight alignment. The dealer may or may not concede that he failed to attend to any defect in these areas in originally preparing the car for delivery. The cars we test almost always come to us with one or more maladjustments or misalignments.

As one lawyer pointed out recently in the *Michigan Law Review*, few consumers are in any position to bargain over warranties, even those covering such necessities as an automobile. They must accept a warranty "purportedly limited to repairing or replacing defective parts. . . . Traditionally, such limitation provisions have been [held] valid; for example, a plaintiff whose automobile has been destroyed by a fire caused by a defective part was regularly denied recovery because the manufacturer's liability had been limited to replacement of defective parts. . . ."

Everything conspires against the car owner who discovers that his new car is a lemon. But the law does not stand still. A few years ago, in the landmark case of Henningsen v. Bloomfield Motors, Inc., the New Jersey Supreme Court decided that an auto maker could not disclaim liability for personal injuries caused by defective parts. Other courts have since followed that same doctrine. If a plaintiff can prove that a factory defect led to his injury and that faulty driving was not a factor, the warranty may not shield the manufacturer. But these may be difficult things for a car owner to prove.

And those unfortunates whose loss from a thoroughly unsatisfactory car has been strictly economic will have even tougher going in the courts. Here the expressed new-car warranty has usually proved an effective shield for the manufacturer. Of course, consumers buy their cars from dealers, not from manufacturers, and the dealer can, if he is willing, agree to sell a car under implied warranty instead of under the manufacturer's expressed warranty. But very few dealers are likely to do that.

One dealer who did sell a car under implied warranty a few years ago lived to regret it. The buyer, John Alan Appleman of Urbana, Ill., was an attorney well versed in product liability law. After almost everything conceivable had gone wrong with his new car, a 1959 *Lincoln Premier*, Appleman sued the dealer, Fabert Motors, for the purchase price. Elwood Fabert, the proprietor, was an honest businessman. He admitted in court to the car's multiple defects and to his acceptance of implied warranty as a condition of sale. The Appellate Court of Illinois upheld a jury award of $6200 to Appleman. Fabert's supplier, the Ford Motor Co., refused to reimburse him for one penny of his loss.

Practically all car owners will have to live as best they can with the manufacturer's expressed warranty. Taken at its carefully chosen word, it does promise repair or replacement for parts or materials covered by warranty if they are defective, if workmanship is at fault, or if they fail "in normal use" within the warranty period. But it's the dealer who decides what caused the defect. (The buyer may appeal the dealer's decision to the manufacturer, for whatever good that will do him.)

THE DEALERS ARE TRYING

Perhaps some comfort is to be taken from a trend indicated by recent CU Annual Questionnaire returns. Even though the incidence of defects in new cars bought by respondents rose in 1966, fewer respondents blamed the dealer for failure to make repairs. Of those whose new cars were not properly corrected by dealers, only 15% said that the dealer was uncooperative, a big improvement from the 30% who blamed the dealer as recently as 1963. And dealers told only 12% of the 1966 group that the defect was not covered by warranty; in 1963, 18.5% heard that excuse. Still, try as they would, the dealers were unable to make proper repairs to about one car out of four.

Things being what they are, the best hope is to search out a dealer who will at least try harder than some of his competitors, even if his initial selling price for the car isn't the lowest in town. Unless you've already had satisfactory experience with a dealer, you'll probably have to lean on the experience of friends. But if you can spare an hour or two around 8 A.M. or 5 P.M. on a weekday, you might stop by the dealer's service department and listen to the dialogue between the man at the desk and the people bringing in or calling for their cars. Ask a few customers how they feel they are being treated.

Having bought a car, study the owner's manual and, particularly, the maintenance instructions and warranty information. Lubrication and oil-change intervals have been lengthened greatly in the last few years. Don't let a dealer or mechanic talk you into more frequent servicing. Follow the warranty procedures scrupulously. For example, if servicing is done by your own mechanic, you must get the dealer to certify that it has been done.

Keep complete records and receipts of all servicing, all returns to the dealer for work under the warranty, and any correspondence with the manufacturer of his representatives. If you must go to court for satisfaction, every scrap of evidence may count.

And some consumers do get satisfaction that way. Take the case of C. P. Pryor of Fairfax County, Va. His 1965 *Chrysler Imperial* came with a serious rain leak. After 38 sessions with the dealer, it still leaked. So he went to court. Chrysler's line of defense, according to the *Washington Post*, was "that their warranty required them only to make

repair efforts, not to replace the car or to guarantee the repairs would be satisfactory." The jury voted Mr. Pryor $2800 in damages, which Chrysler paid without appeal.

It is painfully evident, however, that individual consumers cannot cope adequately with the present level of defects in new cars under the warranty situation as it now exists. What's needed is a fundamental change within the industry, and it has to start in Detroit.

The first need is a revamping of the factory finishing and inspection of autos. If dealers' mechanics weren't tied up with the final step in assembling and adjusting the cars, they would have more time to devote to the inescapable breakdowns under warranty.

The industry also needs to reevaluate dealers' payment allowances for work under warranty. So long as a dealer knows he won't get full reimbursement for work needed by a customer's car, he is going to be reluctant to do it.

And there needs to be an immediate change in the policies that put nearly all available parts in the early months of a model year at the disposal of the assembly line, instead of feeding the service centers' supply channels.

If Detroit can't or won't bring about such reforms voluntarily, we think the FTC should institute a few charges of false advertising against car makers who make much of long-term warranties they know cannot be reasonably serviced.

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[From the Wall Street Journal, July 24, 1967]

LIFE ON THE LINE: A WEEK SPENT BUILDING CARS GIVES AN INSIGHT INTO INDUSTRY'S PROBLEMS—PRODUCTION PACE IS GRUELING FOR A NEWCOMER—QUALITY CONTROL IS A BIG HEADACHE—"LEAVE YOUR BRAINS AT HOME"

(By Roger Rapoport)

WIXOM, MICH.—The Ford Motor Co. auto assembly line here is an impressive sight. Bare frames are put on a slowly moving conveyor. Wheels, engines, seats, body sections and hundreds of other components are added along the way. At the end of the quarter-mile, 90-minute trip, finished cars are driven off to be inspected and shipped to dealers.

*It takes some* 275 workers to put the cars together on the Wixom line. To hear a guide at Ford's big River Rouge plant, a popular tourist stop in nearby Dearborn, tell it, life on the line is a snap. "Each worker on an assembly line has one little job to do," he says. "It's simple. Anyone could learn it in two minutes."

That's bunk.

Working on the line is grueling and frustrating, and while it may be repetitive, it's not simple. I learned how tough it can be by working for six days at Ford's Wixom plant, which assembles Thunderbirds and Lincoln Continentals.

I learned first-hand why 250,000 auto workers are unhappy about working conditions. Ford calls Wixom the "most progressive automobile assembly plant on the North American continent." Facilities at the 10-year-old plant here are indeed better than those at many of the 46 other auto assembly plants scattered around the country. Wixon is clean and well-lighted by auto industry standards. It boasts adequate rest rooms, plenty of drinking fountains and an air-conditioned cafeteria. Even so, working conditions are less than ideal.

PROBLEMS OF QUALITY

I also learned why quality control is a major problem for the industry and why so many Americans complain about poor workmanship in the cars they buy. I saw one blue fender installed on a white car and saw the steering column fall off another newly built car. Wixom's repair area, nearly the size of a football field, usually had a line-up of 500 cars waiting to have steering adjusted, scratches painted, brakes repaired and other faults fixed—but not all defects are caught before cars leave the plant. The four auto companies have recalled from customers more than a million 1967 model cars since last September because of suspected manufacturing defects.

Ford didn't know I was a reporter. Along with a handful of other young men, I was hired as a summer replacement, and to the personnel department I was simply Social Security number [redacted]. The foreman on the line knew me as '[redacted]' for short.

Names aren't necessary on the line. The conveyor moves at ⅛ of a mile an hour, and while that may not sound terribly fast, it doesn't leave much time for conversation. Also, the cacophony of bells, whistles, buzzers, hammers, whining pneumatic wrenches and clanking, rumbling machinery drowns out voices, so most communicating is done by arm waving and hand gestures.

Only two of the dozens of men I worked beside at various points on the line ever learned my name, and I knew only the first names of two workmen. One was Clyde, a husky Negro who had been an assembler for about a year. My first day on the job, a foreman assigned Clyde to teach me the ropes at one work station.

LESSONS FROM CLYDE

Clyde, a 220-pound six-footer, showed me how to bolt the car body to the chassis in three places. It was fairly easy for me, a 160-pound six-footer. He showed me how to lean inside the trunk, tighten two bolts and make an electrical connection. I managed that task, too. He showed me how to maneuver a big V-8 engine dangling overhead down into a car's engine compartment. By this time, I considered myself fairly versatile.

Then Clyde showed me how to scramble from one car to the next, putting chassis and trunk bolts in the first two cars and helping with the engine in the third—all in less than five minutes. When I tried it, I got stuck in the trunk of one car, missed the chassis bolts on the next and was too late to help install the engine on the third car.

Gradually, I became more proficient. But I didn't last long at any job. As a temporary worker, I was assigned to fill in for absent workmen at five different work stations at various times during my six days on the line. Except for Clyde, the men who showed me the jobs weren't very good teachers. One workman demonstrated the way to attach clamps to heater hoses, but he didn't mention that the clamps have tops and bottoms. A foreman caught my error after I had installed a dozen clamps upside down.

LEARNING FROM EXPERIENCE

Nobody told me to put on steering wheels that match the color of the dashboard—I figured that out myself. But I made some mistakes because nobody warned me that tinted glass makes it difficult to distinguish the color of the dash by looking through the windshield. I installed some blue steering wheels on cars with aqua dashboards and mismatched a black wheel with a gray dashboard.

An experienced worker told me that a color-blind assembler recently installed the wrong color vent plates under the windshield wipers on cars for two hours before a foreman spotted the error and assigned the man to another job.

I wasn't checked for color blindness when I was hired. Rapid turnover and a major expansion at Wixom made getting a job easy, even though the plant was heading for a temporary shutdown to make the annual model changeover. I passed a three-hour physical exam and an 11-minute written test. (Sample questions: "Which of the following doesn't belong? spade, queen, king, ace; oak, maple, leaf, elm.") There was no interview. I was issued a free pair of safety glasses, given a five-minute lecture on safety and plant safety rules, and told to report to work.

Along with some 2,700 other employes on the third work turn, I arrived at the sprawling, suburban Detroit plant shortly after 3 p.m. and punched the time clock. Most of the men on the line were between 20 and 35 years old. Most wore sport shirts and slacks or green coveralls. About a third were Negroes.

The windowless assembly line area inside the two-story plant reminded me of a tunnel. Down the middle ran the assembly line. Overhead were fluorescent lights and conveyors carrying engines, fenders and other components. Tall racks and bins full of auto parts lined the sides. A narrow slit trench for underbody installations stretched the length of the line.

At 3:30 p.m., the conveyor began moving, and work started on the assembly line. For the next three hours—until a relief man shouted at me to take a 20-minute break while he replaced me—I rarely spoke or was spoken to.

For a while, I concentrated hard to get each job done within the 90 seconds the moving car was in front of my work station without dropping the five-pound pneumatic wrench on my foot. Every third car on the line was a Continental, and required a slight variation from Thunderbird installation procedures.

Nevertheless, each task soon became a mind-deadening routine, and my thoughts turned to everything but cars. ("You just leave your brains at home and work out of habit," one experienced worker later advised me.) Sometimes, after many minutes of bending over and zeroing in on a moving target, I would step back, and the line would appear to be stationary, while everything else seemed to be moving.

BEND, STRETCH, ACHE

I'm in fairly good physical shape, but I ached all over after each day's work on the line. At one station, I had to bend down into the engine compartment to bolt on the steering column. To install carpeting, I sat on the door frame with one foot dragging and drilled holes, then stretched out on my side under the instrument panel to fasten the carpet to the floor. Attaching steering wheels meant stretching through the open car window to stick the wheel on the column and bolt it down.

Nobody seemed to take any particular pride in his work. Some workers considered some of the parts shoddy. The kick-pads that I installed under instrument panels, for example, were made of relatively brittle plastic and sometimes broke off during installation. One workman told me that "over 400 of them broke off one month last winter."

One day when I was helping two men bolt steering columns in place, the columns on a dozen cars were mounted improperly by someone up the line, so we couldn't bolt them down and men further down the line couldn't attach the steering wheels. Such chain-reactions often result from a single slip-up, and regularly snarl the precision of the computer-controlled assembly line.

CATCHING DEFECTS

It was Clyde who first told me what to do if I made or discovered a mistake. "Get the next car and don't worry," he said. "They'll catch that one further down the line." When I spotted the white Thunderbird wearing a blue fender, another worker explained: "They'll paint over it in the repair shop. It's easier to catch it there than it is on the line."

About 10 repairmen stationed at various points along the way catch and fix some minor defects right on the assembly line. But it's up to the 15 or 20 inspectors along the line to check each car thoroughly and route those with improperly installed parts into the plant's 100-man repair shop. One inspector was an inexperienced college student. Some regular inspectors seemed far from dedicated.

I saw one standing with his eyes closed. When a workman pointed out a faulty engine, the inspector tagged the defect, then closed his eyes again. Once I spotted a loose steering wheel and told an inspector. He said he had just checked that wheel and "found it tight," but he double-checked and admitted, "You were right—it was loose."

I saw a loose steering column fall off a Thunderbird when an inspector checked it. Later he told me that before lunch he had "only missed marking up three loose steering columns, which is pretty good since 80% of them were going through loose yesterday." Another inspector further down the line spotted the three loose columns.

An inspector who had five things to check on each car told me: "There isn't nearly enough time to do all the inspections. I'm supposed to check shock absorbers. But I haven't had a chance to look at one in a month." Another inspector jokingly said he inspects a car trunk just closely enough "to make sure there's no dead foreman in there."

A "SLOW" PACE

Because Wixom builds luxury cars priced to sell from $4,600 to over $7,300, the assembly line moves at what, for the auto industry, is considered a slow production pace of about 40 cars an hour. Some other luxury cars are built at a faster rate. General Motors Corp.'s Cadillac assembly lines rolls out 50 cars an hour, and Chrysler Corp. builds about 55 Chryslers and Imperials an hour. Lower priced cars such as Fords, Chevrolets and Plymouths usually come off the line at a rate of up to 65 cars an hour.

That can seem like breakneck speed to a weary worker on the assembly line. The speed of the line, in fact, has been a major cause of half a dozen local strikes by United Auto Workers Union members at other auto assembly plants in the past few years.

Even Wixom's pace seemed fast to me. When my 20-minute break started at 6:30 each night, I staggered to the pop-machine to buy a cold drink. Then I looked for someplace to sit and rest. There aren't many places to sit in the plant. My favorite spot was atop a cart loaded with big white laundry sacks full of dirty coveralls, a place where I could stretch out.

Sometimes a few workers would talk and joke during their breaks. Foremen and other supervisors were the butt of many jokes—particularly one balding supervisor who was referred to as "Khrushchev." But the assemblers actually got along well with the foremen, who worked hard themselves and generally were patient and polite when correcting workmen's mistakes. Supervisors insisted on informality. When I called one "sir," he quickly told me: "That isn't necessary around here."

SCRAMBLE FOR LUNCH

After my relief period, I spent another hour and 10 minutes on the line. Then, at 7:30 p.m., the conveyors stopped, and the scramble for lunch started. There wasn't time to wash the grease off my hands or pull the slivers of glass fiber insulation out of my arms before eating.

Usually lunch periods were staggered, but sometimes the day's production schedule was arranged so that all 2,700 workers in the plant ate at the same time. The first day that happened, I cut in near the front of the long line outside the air-conditioned company cafeteria. It took 15 minutes, half my lunch period, to reach the counter, pick up iced tea, milk, soup, roast beef, Jell-O, pie and pay the cashier $1.50. I ate in 11 minutes.

That left two minutes to go to the bathroom and another two minutes to get back to my place on the line. I had indigestion for an hour after lunch. Some workers had to wait 25 minutes to get served that day. I don't know how, or if, they ate and got back to work in five minutes.

Many workmen brought sack lunches and sat on stock racks or in cars on the line eating sandwiches. Eating in the cars was against plant rules. Nevertheless, when I was installing carpets, I frequently had to throw out lunch sacks, cigaret butts and coffee cups along with the usual assortment of screws, fuses and bolts before laying a carpet. I picked an empty beer can out of a car, too—even though another plant rule prohibits drinking alcohol.

Safety rules frequently were violated, too. I saw foremen running and assemblers jumping across the assembly line trench, both supposedly forbidden. Occasionally there was horseplay on the line. But I didn't see any accidents. Indeed, when I was there, Wixom had gone two million man-hours without an accident.

JOKES AND CONCERTS

Ennui set in during the second half of the work turn. To break the monotony, some workers played practical jokes, like detaching the air hose from an assembler's pneumatic wrench. Others performed timpani concerts on plant ventilation ducts with rubber mallets. They hooted and whistled whenever women office employes ventured into the production area.

My second relief break began at 10 p.m. and lasted 16 minutes. (In the UAW's contract negotiations with Ford and the three other auto companies, the union is demanding two 30-minute paid relief breaks daily for assemblers. Auto workers aren't paid during their half hour lunch periods.) There was less bantering among workers during the second break. Some of them talked of quitting. One man groused about "too much pressure" and said: "When I was working in an auto parts plant, I could meet my quota in four hours and then goof off, but here there's no rest."

When the quitting whistle blew at midnight, smiles returned to most workers' faces. They washed up quickly and headed for the parking lot. I drove straight home and went to bed. But some of the men went out moonlighting. One young guy making about $3.30 an hour at Wixom worked several hours as a night pressman for a small morning newspaper. Another, earning about $3.50 an hour, went home and slept for five hours, then put in eight hours doing maintenance work at a nearby golf course. "I made $11,000 last year," he told me.

After the final whistle blew on my last work turn before the plant closed for model changeover, Clyde kidded me at the water cooler. "You should feel ashamed of yourself, taking all that good Ford money after the way you worked," he said.

Hiring me might not have been one of Ford's better ideas, but I think I earned my $110 take-home pay. Ford apparently thought so, too. The foreman told me to report for work again when Wixom resumes production next week.

But I don't intend to go back to the plant—except perhaps to pick up my pay check. Ford wouldn't mail it to me. "We've got 6,000 guys who would like to have their checks mailed to them," a personnel man told me. "What makes you think you're any different?"

## CONFINEMENT AND TREATMENT OF CERTAIN MENTALLY ILL PERSONS

Mr. KENNEDY of New York. Mr. President, I introduce, for appropriate reference, a modified version of a bill which I offered at the last session of Congress, to provide for the confinement and treatment of certain mentally ill persons who cannot get the care they need.

I refer to persons acquitted by reason of insanity of a Federal charge, whose continuing illness makes them dangerous to themselves or others. Present law makes no provision for their confinement; such a person must be discharged by the Federal court. He receives treatment—and the rest of us receive protection—only if some State chooses to bring a completely new proceeding asking for his hospitalization. This bill would close this loophole by making treatment available on the initiative of Federal officials.

At the same time, Mr. President, I also introduce, for appropriate reference, a bill to substitute a similar provision for the present statute governing criminal commitment in the District of Columbia. The present law, hastily enacted as a response to the celebrated Durham decision in the Court of Appeals for the District, is deficient in procedural protections for a person threatened with commitment. The wave of alarm which greeted Durham has receded, but it has left us with a statute that does not reflect adequate consideration of the complex questions of law and policy raised by these commitments.

When I introduced the first of these proposals in the 89th Congress (S. 3689), I sent copies of it to a wide variety of people whose advice I thought would strengthen it. I was gratified and impressed by the many thoughtful replies I received. I was also pleased by the enthusiastic support that the bill received—from lawyers, psychiatrists and members of other professions concerned with the difficult problem addressed by the bill. A number of the recommendations I received have been incorporated in the revised draft which I now submit for consideration and, I hope, speedy passage by the Congress.

Mr. President, the criminal law has traditionally excused persons whose offenses were not willful but the result of mental illness. An acquittal "by reason of insanity" expresses a judgment that it is unfair to punish people who are not responsible for their action. But we know that some sort of control and treatment of such people is often necessary, for their own good and for the protection of society.

The bills which I introduce today would create a procedure for commitment and treatment of those who are federally absolved of criminal responsibility for their actions and amend the existing procedure in the District of Columbia. The major importance of this problem, in my judgment, is not a matter of numbers, although anyone acquitted could, of course, create danger to the public. But even in jurisdictions which have adopted more enlightened tests of criminal responsibility, the rate of acquittal on the ground of insanity runs to only 2 to 3 percent of all criminal defendants each year. The basic point is that each of those acquitted on the ground of insanity may need care and treatment. It was for this reason that Judge Kaufman, speaking for the Second Circuit in the case of the United States against Freeman, called on Congress to "explore its power to authorize commitment of those acquitted on grounds of insanity." My bills would authorize that commitment, and thereby provide the care and treatment that is the implied promise of an enlightened test of criminal responsibility. And in doing so they will provide a model code to guide any State which is considering action in this area.

Mr. President, these bills are based on three existing statutes:

First, the District of Columbia statute which provides for the mandatory commitment of persons acquitted on the ground of insanity in the District—District of Columbia Code, sections 24–301 (d) and (e);

Second, the District of Columbia Hospitalization of the Mentally Ill Act, recently enacted to modernize the law governing the civil commitment of the mentally ill in the District—District of Columbia Code, section 21–501 and the following—and

Third, the Federal statutes (18 U.S.C. 4247 and 4248) which govern the disposition of persons who are insane or incompetent at the time they complete a Federal criminal sentence.

I shall explain the extent of my reliance upon and conscious divergence from each of these three statutes as I proceed to explain the provisions of my bills.

The first bill would add a new section 4249 to title 18 of the United States Code. The bill for the District contains the same substantive provisions, although it is numbered differently in order to be consistent with the District of Columbia Code.

Subsection (a) of the first bill provides that any person acquitted on the grounds of insanity in the Federal courts is to be held thereafter for up to 30 days for a psychiatric examination and a hearing on commitment for care and treatment, unless the court determines that there is no basis for believing that he is mentally ill in a dangerous way. In the earlier version of this legislation, this period was 60 days. But many experts urged that this was unduly long.

The acquitted person is to be held in "a suitable hospital or other treatment *facility designated* by the court." The Surgeon General is authorized by the first bill to contract with States and municipalities for the confinement of such persons in their hospitals. The phrase "suitable hospital or treatment facility" is used throughout both bills. Besides implying a right to treatment, it is intended to suggest that a person acquitted on the ground of insanity is under no circumstances to be confined in a jail-like institution.

The bills recognize the possibility that the defendant can provide for his own care in a private facility. This was not expressly permitted in the earlier version of the bill. But so long as the Surgeon General approves the choice, the question of where the person is treated can be left to his family. The essential thing is that he be treated.

Subsection (a) also provides the procedure for the psychiatric examination. There are to be two qualified psychiatrists, and the acquitted person is to be informed that he may pick one of them. The language on the latter point is based on comparable provisions in the District of Columbia Hospitalization of the Mentally Ill Act. The psychiatrists are to report their conclusions, promptly, so that the entire process can be completed within 30 days of the defendant's commitment. The bills specifically direct that their findings and conclusions be accompanied by a full statement of their reasoning in support thereof. The court will need to know all the facts which the psychiatrists have considered relevant about the acquitted person and all the reasoning of the psychiatrists in arriving at their findings and conclusions—hence the specificity of the bills on that point.

Subsection (b) governs the hearing which is to occur once the psychiatric reports are filed.

Although the acquittal on the grounds of insanity is, in my judgment, a sufficient basis for holding the acquitted person for a psychiatric examination, there will be some instances in which commitment for any longer period is unwarranted insofar as the acquitted person is concerned and unneeded insofar as protection of the public is concerned. A hearing is necessary to discover these cases.

Subsection (b) requires that the acquitted person be represented by counsel at the hearing. The District of Columbia Hospitalization of the Mentally Ill Act contains this safeguard, and in my judgment, it is necessary to insure a thorough airing of the issues.

This procedure differs markedly from that presently followed in the District of Columbia, where the defendant is automatically committed after acquittal. There is no hearing on the defendant's present dangerousness, no post-acquittal examinaiton of the defendant by competent psychiatrists. I think the present law unjustifiably burdens the defendant's choice to assert an insanity defense. I think it also raises serious questions of due process by permitting a deprivation of liberty—however well-intentioned—based on a weak inference about the defendant's present sanity. For it mandates commitment on the sole ground that the jury had a reasonable doubt about the defendant's sanity when the offense was committed—at times months or perhaps years in the past.

In preparing the version of the legislation which I submitted last session, I therefore did not follow the District's statute. Many of the people with whom I subsequently discussed my bill then urged me to take the further step of extending the protections in my bill to defendants tried in the courts of the District. In particular, the District of Columbia Bar Association's Committee on Mental Health forcefully expressed the view that there is no basis for denying to this group of defendants the rights created by my bill—and especially this initial hearing on present dangerousness, the assistance of counsel in all proceedings, and an express right to receive treatment after commitment.

The acquittal on the ground of insanity is the basis for the 30-day detention after acquittal. Beyond that, I do not believe the proceedings should really be much different from the usual civil commitment proceeding. The bills, therefore, contain the procedural safeguards which I have described, and provide further that the United States shall have the burden of proving by a preponderance of evidence that the acquitted person should be institutionalized.

The standard which governs the court's determination under subsection (b) is twofold. To be committed for treatment, the acquitted person must be both mentally ill and, because of his illness, must constitute a danger either to himself, or others.

My bills, like the District of Columbia Hospitalization of the Mentally Ill Act, speak of "mental illness" rather than "insanity," mental ilness being defined in the act to mean "a psychosis or other disease which substantially impairs the mental health of a person." I believe mental illness will be an easier and more realistic concept for courts, juries, and psychiatrists to deal with under this bill.

The part of the standard requiring a finding that one person would be dangerous to himself or others if released represents a major change from the bill I offered last session. That draft reflected my doubts about the constitutionality of Federal hospitalization in the absence of proof that the mentally ill person was dangerous to specifically Federal interests. However, the requirement of such proof created many problems. Perhaps the most serious was that if the person were shown to be dangerous merely to himself or others, a complex and cumbersome procedure for turning him over to the officers of a State had to be invoked. And if a proper State could not be identified, or if a State's officers delayed in taking charge, the person would have to be released—not treated, not confined. Also the requirement would necessitate testimony in terms unfamiliar to the courts and to psychiatric witnesses.

Of course, these inconveniences would be tolerable if the Constitution clearly required them. But many of the experts with whom I corresponded expressed confidence that a comprehensive plan of Federal criminal commitment would be constitutional. An eminent professor of law stated flatly that he did not "think the Supreme Court will ever hold the Federal Government powerless to hold or treat Federal accused who ought to go to hospitals rather than prisons." The District of Columbia Bar Association's Committee on Mental Health concurred; in their report, to which I have already referred, they argued that "once an individual is tried in a Federal court, the interests of the United States are sufficient to provide for treatment." The committee felt that the defendant's past interference with Federal interests—even though it could not be punished as a crime—gives the Federal Government power to dispose of him as the needs of his case dictate.

While I would urge the committee reviewing the first bill to consider the constitutional question carefully, I am sufficiently persuaded by these arguments to adopt the familiar standard for commitment—whether the defendant's release would be dangerous to himself or—others—in the bill applicable to Federal courts outside the District. Of course, there can be no question that that standard may constitutionally be employed in the District.

The requirement in the last sentence of subsection (b) that a person confined under these bills "shall receive medical and psychiatric care and treatment" is based upon the language in section 21–562 of the District of Columbia Code, which is the part of the District of Columbia Hospitalization of the Mentally Ill Act that expressly creates a right to care and treatment. The bills therefore contemplate that the adequacy of the treatment will be relevant in later inquiries as to whether his commitment for treatment should be continued.

Subsection (c) provides that anyone committed to the custody of the Surgeon General or the Director of Public Health under these bills will be released when he is no longer mentally ill, or when, even though he is still mentally ill, he is no longer dangerous. The release, under the bill, can be either unconditional or conditional—that is, under supervision—as the circumstances warrant.

Subsection (d) provides that the superintendent of the hospital, or other treatment facility where the acquitted person is confined, may at any time certify to the court that the person should be either unconditionally released or conditionally released under supervision. The court can simply do as the superintendent of the treatment facility recommends or it can hold a hearing. If the United States objects, the court must hold a hearing. At any such hearing, the confined person has a right to counsel and a right to call a psychiatrist on his behalf. The United States is given the burden of proving by a preponderance of the evidence that the confined person's continued hospitalization is warranted.

Subsection (e) directs that the superintendent of the treatment facility file a report not less frequently than every 6 months about the confined person's mental condition. If the report amounts to one of the recommendations contemplated in subsection (d), the bill then provides that the provisions of subsection (d) will come into play. If the report is less than a recommendation for a conditional release or an unconditional release or transfer, subsection (e) provides that the court shall have the confined person's lawyer go interview him, or if he has no lawyer, shall direct a qualified psychiatrist or psychologist to interview him.

Subsection (e) then provides for further action by the court based upon the advice it receives from counsel and upon its own examination of the superintendent's periodic report. Finally, subsection (e) provides that where the periodic report is submitted at a time when the acquitted person has been institutionalized for a period equivalent to the maximum sentence that he could have received, he will receive a hearing as a matter of right on the question of his continued confinement. And he is also entitled to a hearing as a matter of right on that question at least every 2 years, if one has not been held under the provisions of subsections (d) or (e).

Finally, the bill applicable to the District repeals the present provision requiring the acquitted person to pay the costs of his confinement. Recent decisions by a prestigious State supreme court and by the Supreme Court of the United States question provisions such as this on constitutional grounds. Since the detention of these people is in large measure for the protection of the public, the public ought to bear the cost of it. Here again, we would be setting a model for the States.

Mr. President, these are carefully drawn bills in an area where legislation is needed. They will protect the public and at the same time bring medical treatment to persons who need it. Their guarantees of procedural due process, both at the time of commitment and in connection with release proceedings, are not only fair in themselves, but will also assure that the assertion of the insanity defense will not be improperly discouraged Congress must act to provide the commitment for care and treatment that is the answer in this type of case. I ask unanimous consent, Mr. President, that the full text of the bills be printed in the RECORD at the close of my remarks, so that other Senators may have the chance to examine them in full.

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

The bills, introduced by Mr. KENNEDY of New York, were received, read twice by their titles, appropriately referred, and ordered to be printed in the RECORD, as follows:

S. 2740. A bill to amend chapter 313, title 18, United States Code, to provide for the commitment of certain individuals acquitted of offenses against the United States solely on the ground of insanity; to the Committee on the Judiciary:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) chapter 313, title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 4249 Commitment of certain individuals acquitted of offenses against the United States on the ground of insanity

"(a) Whenever any person charged with an offense against the United States is acquitted solely on the ground that he was insane at the time of its commission, the fact shall be set forth by the jury in their verdict, and the trial court in which the proceedings which resulted in his acquittal were conducted shall order such person to be committed for a period of not to exceed thirty days, except for good cause shown, to a suitable hospital or other treatment facility designated by the court, during which time he shall be examined to determine his mental condition, and the court shall hold a hearing thereon as described in (b) below; except that, if the court determines, on the basis of the record of the trial or other available evidence or data, that such person is not mentally ill to the extent that his release would constitute a danger to himself or others, the court may order his immediate release. Upon such commitment, the court shall cause such person to be examined as to his mental condition by two qualified psychiatrists. Such psychiatrists shall be designated by the court, except that the person to be examined shall be informed that he has the right to select one of the two psychiatrists to be so designated. The participation of such a psychiatrist shall be at the expense of the allegedly mentally ill person, unless he is indigent, in which case the Surgeon General shall, upon the written request of such person, assist him in obtaining a qualified psychiatrist to participate in the examination in his behalf. The psychiatrists so designated shall promptly examine the person and file their reports with the court setting forth their findings and supportive reasoning with respect to such examination, including their conclusions and supportive reasoning as to whether such person is mentally ill, and whether, because of such illness, his release would constitute a danger to himself or others. During the period of his commitment for an examination under this subsection, such person shall also, upon giving his written consent, receive medical and psychiatric care and treatment.

"(b) Upon receipt of the reports referred to in subsection (a) of this section, the court shall promptly schedule a hearing to determine whether the person with respect to whom such reports were filed is mentally ill, and whether, because of such illness, his release would constitute a danger to himself or others. The alleged mentally ill person shall be represented by council at that hearing, and if he fails or refuses to obtain counsel, the court shall appoint counsel to represent him. The court shall cause a written notice of the time and place of the hearing to be served personally upon the person with respect to whom the report was made and his attorney. The court shall determine the person's mental condition on the basis of the reports of the psychiatrists, and on such further evidence in addition to the report as the court requires. At such hearing, the examining psychiatrists may be called as witnesses, and be available for further questioning by the court and cross examination by such person or on behalf of the Government. The court may, in its discretion, call any other witness for the acquitted person, except that the court shall call any witnesses requested by the parties. If, after the hearing, the court shall determine, on the basis of a preponderance of the evidence, that the person is mentally ill, and that, because of such illness, his release would constitute a danger to himself or to others, the court shall commit the person so acquitted to the custody of the Surgeon General or his authorized representative, who shall confine such person in a suitable hospital or other treatment facility where he shall receive medical and psychiatric care and treatment; except that, if the court determines on the basis of the record of the trial or other available evidence or data that such person is in a condition to be conditionally released, the court may order his release under such conditions as it may require. The court, may, with the consent of the Surgeon General, approve a private hospital chosen by the person to be treated or his family as a suitable treatment facility; but a person committed to such a private hospital shall not be released except as provided hereinafter.

"(c) Whenever a person shall be committed to the custody of the Surgeon General or his representative for confinement by him pursuant to subsection (b) of this section, such person's commitment shall run until he is no longer mentally ill, or if mentally ill, is no longer mentally ill to the extent that he is dangerous to himself or others.

"(d) Where any person has been confined by the Surgeon General in a hospital or other treatment facility pursuant to subsection (b) of this section and the superintendent of any such hospital or the head of any such treatment facility certificates that, in his opinion, such person is entitled to his unconditional release from such hospital or treatment facility in accordance with the provisions of subsection (c) and such certificate is filed with the clerk of the court in which the person was tried, and a copy thereof served on

the United States Attorney, such certificate shall be sufficient to authorize the court to order the unconditional release of the person so confined at the expiration of fifteen days from the time such certificate was filed and served as above; but the court may, or upon objection of the United States shall, after due notice, hold a hearing at which evidence as to the mental condition of the person so confined may be submitted. Such person shall be represented by counsel at that hearing, and if he fails or refuses to obtain counsel, the court shall appoint counsel to represent him. Such person may call a qualified psychiatrist to examine him and testify in his behalf at the hearing. The participation of such psychiatrist will be at the confined person's expense, unless he is indigent, in which case the Surgeon General shall, upon the written request of such person, assist him in obtaining a qualified psychiatrist to testify in his behalf. In any such hearing, the United States shall have the burden of proving by a preponderance of the evidence that such person's continued confinement is warranted. The court shall weigh the evidence and, if the court finds that the person is no longer mentally ill to the extent that he is dangerous to himself or others, the court shall order such person unconditionally released from further confinement. If the court does not so find, the court shall order the continued confinement of such person in the hospital or other treatment facility to which he was previously committed. Where, in the judgment of the superintendent of such hospital or the head of any such treatment facility, a person confined by the Surgeon General or his representative pursuant to subsection (b) of this section is not in such condition as to warrant his unconditional release or transfer, but is in a condition to be conditionally released under supervision, and such certificate is filed and served as hereinabove provided, such certificate shall be sufficient to authorize the court to order the release of such person under such conditions as the court shall see fit at the expiration of fifteen days from the time such certificate is filed and served pursuant to this section. The provisions as to hearing prior to unconditional release or transfer shall also apply to conditional releases, and, if, after a hearing and weighing the evidence, the court shall find that the condition of such person warrants his conditional release, the court shall order his release under such conditions as the court shall see fit, or, if the court does not so find, the court shall order the continued confinement of such person in the hospital or other facility to which he was previously committed.

"(e) The superintendent of any hospital or the head of any treatment facility in which any person is confined by the Surgeon General or his representative pursuant to subsection (b) of this section shall, upon the expiration of 90 days following such commitment, and not less frequently than every six months thereafter during confinement of any such person, submit to the court a written report with respect to the mental condition of such person, together with the recommendations of such superintendent or head concerning the continued confinement of such person. Upon the receipt thereof, the court shall examine it to see if it is substantially the same as a certificate under subsection (d), in which case such report and recommendations shall be deemed to be a certificate within the purview of subsection (d) and the provisions of that subsection shall be applicable. If it is not, the court shall order the confined person's counsel to interview him, or if the confined person does not have counsel, shall direct a psychologist or psychiatrist appointed as an officer of the court for this purpose to interview him. Counselor or such officer shall on the basis of such interview, recommend to the court whether he believes such person's further confinement is warranted under the standard set forth in subsection (c). Based on this recommendation and on its own examination of the periodic report and recommendation, the court may order (1) such person's unconditional or conditional release, (2) the continued confinement of such person in the hospital or other treatment facility to which he was previously committed, or (3) a hearing at which evidence as to the mental condition of the person so confined may be submitted. The court, upon objection of the United States to any such proposed order of release or transfer under clause (1) of this subsection, shall, after due notice, hold a hearing at which evidence as to the mental condition of the person so confined may be submitted. In any case in which the court intends to order the continued confinement of such person under clause (2) of this subsection, the court shall, at the request of such person and prior to entering such order, hold such a hearing if, at the time of the submission of the periodic report with respect to such person, his period of confinement pursuant to subsection (b) of this section has exceeded the maximum period to which he could have been sentenced upon conviction of the count or counts contained in the indictment charging him with the offense or offenses of which he was acquitted by reason of insanity. Notwithstanding any other provision of this section, in any case in which the court intends to enter an order continuing the confinement pursuant to clause (2) of a person with respect to whom a periodic report has been submitted, the court shall, at the request of such person and prior to entering such order, hold a hearing at which evidence as to the mental condition of such person may be submitted, if, for the two-year period immediately prior to the submission of such report, such person was confined for such period pursuant to subsection (b) and did not, during such period, have a hearing under this section with respect to his mental condition. Such person shall be represented by counsel at any such hearing and may call a qualified psychiatrist to examine him and testify in his behalf. The participation of such psychiatrist will be at the confined person's expense, unless he is indigent, in which case the Surgeon General shall, upon the written request of such person, assist him in obtaining a qualified psychiatrist to testify in his behalf. In any such hearing the United States shall have the burden of proving by a preponderance of the evidence that such person's continued confinement is warranted. The court shall weigh the evidence and, if the court finds that the person is no longer mentally ill to the extent that he is dangerous to himself or others, the court shall order such persons unconditionally released from further confinement or conditionally released. If the court does not so find, the court shall order the continued confinement of such person in the hospital or other treatment facility to which he was previously committed.

"(f) The Surgeon General is authorized to contract with hospitals or other treatment facilities maintained by states, subdivisions thereof or private groups for the confinement of persons committed under this section. Such contracts may provide for reasonable compensation for such facilities, and must provide that the facility will comply with the requirement of this section that such persons receive medical and psychiatric care and treatment, and that the Surgeon General or his designate may inspect the facility for such compliance.

"(g) Nothing contained in this section shall preclude a person committed under the authority of subsection (b) of this section from establishing his eligibility for release by a writ of habeas corpus. The Surgeon General or his authorized representative shall have authority at any time to transfer a person committed to his custody under this section to the proper authorities of the State (including the District of Columbia), territory, or possession of such person's residence.

"(h) Whenever counsel or other officer of the court is appointed in accordance with the provisions of this section, he shall be awarded compensation by the court for his services in an amount which accords with section 3006A(d) of this title. The compensation shall be charged against the estate of the individual for whom the counsel was appointed, or, if such individual is indigent, against funds appropriated under section 3006A(h) of this title. Whenever a psychiatrist is obtained to participate in the examination of an indigent person in accordance with the provisions of this section, he shall be awarded compensation for his services in an amount which accords with section 3006A(e) of this title. Such compensation shall be charged against funds appropriated under section 3006(A)(h) of this title.

"(i) The provisions of this section, except to the extent otherwise specifically provided therein, shall not be applicable to the District of Columbia."

(b) The chapter analysis of chapter 313, title 18, United States Code, is amended by adding at the end thereof the following new item:

"4249. Commitment of certain individuals acquitted of offenses against the United States on the ground of insanity."

S. 2741. A bill to amend title 24, District of Columbia Code, to provide for the commitment of certain individuals acquitted of offenses in the District of Columbia solely on the ground of insanity; to the Committee on the District of Columbia:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) subsections (c)–(h), section 301, title 24 of the District of Columbia Code is repealed and the following new subsections substituted therefor:

"(c) When any person tried upon an indictment or information for an offense, or tried in the juvenile court of the District of Columbia for an offense, is acquitted solely on the ground that he was insane at the time of its commission, that fact shall be set forth by the jury in their verdict and the trial court in which the proceedings which resulted in his acquittal were conducted shall order such person to be committed for a period of not to exceed thirty days except for good cause shown to a suitable hospital or other treatment facility designated by the court, during which time he shall be examined to determine his mental condition, and the court shall hold a hearing thereon as described in (d) below; except that, if the court determines, on the basis of the record of the trial or other available evidence or data, that such person is not mentally ill to the extent that his release would constitute a danger to himself or others, the court shall cause such person to be examined as to his mental condition by two qualified psychiatrists. Such psychiatrists shall be designated by the court, except that the person to be examined shall be informed that he has the right to select one of the two psychiatrists to be so designated. The participation of such a psychiatrist shall be at the expense of the allegedly mentally ill person, unless he is indigent, in which case the Director of Public Health shall, upon the written request of such person, assist him in obtaining a qualified psychiatrist to participate in the examination in his behalf. The psychiatrists so designated shall promptly examine the person and file their reports with the court setting forth their findings and supportive reasoning with respect to such examination, including their conclusions and supportive reasoning as to whether such person is men-

tally ill, and wether, because of such illness, his release would constitute a danger to himself or others. During the period of his commitment for an examination under this subsection, such person shall also, upon giving his written consent, receive medical and psychiatric care and treatment.

"(d) Upon receipt of the reports referred to in subsection (c) of this section, the court shall promptly schedule a hearing to determine whether the person with respect to whom such reports were filed is mentally ill, and whether, because of such illness, his release would constitute a danger to himself or others. The alleged mentally ill person shall be represented by counsel at that hearing, and if he fails or refused to obtain counsel, the court shall appoint counsel to represent him. The court shall cause a written notice of the time and place of the hearing to be served personally upon the person with respect to whom the report was made and his attorney. The court shall determine the person's mental condition on the basis of the reports of the psychiatrists, and on such further evidence in addition to the report as the court requires. At such hearing, the examining psychiatrists may be called as witnesses, and be available for further questioning by the court and cross examination by such person or on behalf of the Government. The court may, in its discretion, call any other witness for the acquitted person, except that the court shall call any witnesses requested by the parties. If, after the hearing, the court shall determine, on the basis of a preponderance of the evidence, that the person is mentally ill, and that, because of such illness, his release would constitute a danger to himself or to others, the court shall commit the person so acquitted to the custody of the Director of Public Health or his authorized representative, who shall confine such person in a suitable hospital or other treatment facility where he shall receive medical and psychiatric care and treatment; except that, if the court determines on the basis of the record of the trial or other available evidence or data that such person is in a condition to be conditionally released, the court may order his release under such conditions as it may require. The court, may, with the consent of the Director of Public Health, approve a private hospital chosen by the person to be treated or his family as a suitable treatment facility; but a person committed to such a private hospital shall not be released except as provided hereinafter.

"(e) Whenever a person shall be committed to the custody of the Director of Public Health or his representative for confinement by him pursuant to subsection (d) of this section, such person's commitment shall run until he is no longer mentally ill, or if mentally ill, is no longer mentally ill to the extent that he is dangerous to himself or others.

"(f) Where any person has been confined by the Director of Public Health in a hospital or other treatment facility pursuant to subsection (d) of this section and the superintendent of any such hospital or the head of any such treatment facility certificates that, in his opinion, such person is entitled to his unconditional release from such hospital or treatment facility in accordance with the provisions of subsection (e), and such certificate is filed with the clerk of the court in which the person was tried, and a copy thereof served on the United States Attorney or the Corporation Counsel of the District of Columbia, whichever office prosecuted the person, such certificate shall be sufficient to authorize the court to order the unconditional release of the person so confined at the expiration of fifteen days from the time such certificate was filed and served as above; but the court may, or upon objection of the United States or the District of Columbia shall, after due notice, hold a hearing at which evidence as to the mental condition of the person so confined may be submitted. Such person shall be represented by counsel at that hearing, and if he fails or refuses to obtain counsel, the court shall appoint counsel to represent him. Such person may call a qualified psychiatrist to examine him and testify in his behalf at the hearing. The participation of such psychiatrist will be at the confined person's expense, unless he is indigent, in which case the Director of Public Health shall, upon the written request of such person, assist him in obtaining a qualified psychiatrist to testify in his behalf. In any such hearing, the Government shall have the burden of proving by a preponderance of the evidence that such person's continued confinement is warranted. The court shall weigh the evidence and, if the court finds that the person is no longer mentally ill to the extent that he is dangerous to himself or others, the court shall order such person unconditionally released from further confinement. If the court does not so find, the court shall order the continued confinement of such person in the hospital or other treatment facility to which he was previously committed. Where, in the judgment of the superintendent of such hospital or the head of any such treatment facility, a person confined by the Director of Public Health or his representative pursuant to subsection (d) of this section is not in such condition as to warrant his unconditional release, but is in a condition to be conditionally released under supervision, and such certificate is filed and served as hereinabove provided, such certificate shall be sufficient to authorize the court to order the release of such person under such conditions as the court shall see fit at the expiration of fifteen days from the time such certificate is filed and served pursuant to this section. The provisions as to hearing prior to unconditional release or transfer shall also apply to conditional releases, and, if, after a hearing and weighing the evidence, the court shall find that the conditions of such person warrants his conditional release, the court shall order his release under such conditions as the court shall see fit, or, if the court does not find, the court shall order the continued confinement of such person in the hospital or other facility to which he was previously committed.

"(g) The superintendent of any hospital or the head of any treatment facility in which any person is confined by the Director of Public Health or his representative pursuant to subsection (d) of this section shall, upon the expiration of 90 days following such commitment, and not less frequently than every six months thereafter during confinement of any such person, submit to the court a written report with respect to the mental condition of such person, together with the recommendations of such superintendent or head concerning the continued confinement of such person. Upon the receipt thereof, the court shall examine it to see if it is substantially the same as a certificate under subsection (f), in which case such report and recommendations shall be deemed to be a certificate within the purview of subsection (f) and the provisions of that subsection shall be applicable. If it is not, the court shall order the confined person's counsel to interview him, or if the confined person does not have counsel, shall direct a psychologist or psychiatrist appointed as an officer of the court for this purpose to interview him. Counselor or such officer shall on the basis of such interview, recommend to the court whether he believes such person's further confinement is warranted under the standard set forth in subsection (e) based on this recommendation and on its own examination of the periodic report and recommendation, the court may order (1) such person's unconditional or conditional release, (2) the continued confinement of such person in the hospital or other treatment facility to which he was previously committed, or (3) a hearing at which evidence as to the mental condition of the person so confined may be submitted. The court, upon objection of the United States or the District of Columbia to any such proposed order of release under clause (1) of this subsection, shall, after due notice, hold a hearing at which evidence as to the mental condition of the person so confined may be submitted. In any case in which the court intends to order the continued confinement of such person under clause (2) of this subsection, the court shall, at the request of such person and prior to entering such order, hold such a hearing if, at the time of the submission of the periodic report with respect to such person, his period of confinement pursuant to subsection (d) of this section has exceeded the maximum period to which he could have been sentenced upon conviction of the court or counts contained in the indictment charging him with the offense or offenses of which he was acquitted by reason of insanity. Notwithstanding any other provision of this section, in any case in which the court intends to enter an order continuing the confinement pursuant to clause (2) of a person with respect to whom a periodic report has been submitted, the court shall, at the request of such person and prior to entering such order hold a hearing at which evidence as to the mental condition of such person may be submitted, if, for the two-year period immediately prior to the submission of such report, such person was confined for such period pursuant to subsection (d) and did not, during such period, have a hearing under this section with respect to his mental condition. Such person shall be represented by counsel at any such hearing and may call a qualified psychiatrist to examine him and testify in his behalf. The participation of such psychiatrist will be at the confined person's expense, unless he is indigent, in which case the Director of Public Health shall, upon the written request of such person, assist him in obtaining a qualified psychiatrist to testify in his behalf. In any such hearing the Government shall have the burden of proving by a preponderance of the evidence that such person's continued confinement is warranted. The court shall weigh the evidence and, if the court finds that the person is no longer mentally ill to the extent that he is dangerous to himself or others, the court shall order such persons unconditionally released from further confinement or conditionally released. If the court does not so find, the court shall order the continued confinement of such person in the hospital or other treatment facility to which he was previously committed.

"(h) Nothing contained in this section shall preclude a person committed under the authority of subsection (d) of this section from establishing his eligibility for release by a writ of habeas corpus."

(b) The chapter analysis of section 301, title 24, District of Columbia Code is repealed, and the following analysis substituted therefor:

"24–301. Commitment of persons of unsound mind to the District of Columbia General Hospital—Certification to the court—Examination after acquittal by jury on grounds of insanity—Hearing upon confinement of person so acquitted—Duration of confinement—Procedure for release—Periodic reports on confined person—Writ of habeas corpus."

## FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1968—AMENDMENT

AMENDMENT NO. 491

Mr. CHURCH. Mr. President, I submit an amendment, intended to be proposed

by me, to the appropriation bill for foreign assistance, H.R. 13893, which I understand will soon be before the Senate. I would ask at this time that the amendment be printed and lie on the table, to be available for calling up at the appropriate time.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

Mr. CHURCH. Mr. President, in connection with the amendment let me say a few words of explanation.

This amendment would restore the appropriation for international organizations and programs to the full amount of the authorization—that is, to $141,000,000, an increase of $11,000,000 over the committee bill.

The contribution to international organizations and multilateral programs is the worst place to cut foreign aid. For several years, the Senate has encouraged, indeed prodded the administration to make greater use of multilateral agencies in carrying out the foreign aid program. Some progress—but not nearly enough—has been made in this direction. If the action of the Appropriations Committee is allowed to stand, we will have taken a backward step.

The principal item in this appropriation, amounting to more than half the total, is $75 million for the U.S. contribution to the United Nations development program. This program combines the U.N. technical assistance program and the U.N. Special Fund, which was an American idea in the first place and which we should certainly continue to support. The U.S. contribution is on a matching basis and amounts to no more than 40 percent of the total.

I might say that other countries have been encouraged to increase their appropriations, which now amount to 60 *percent of* the total. Very important progress has been made in that direction in past years. All the countries are meeting their commitments. If the committee bill stands, it will be the first time the United States has failed to meet its own commitment, and will have a serious effect upon the program.

The contributions of other countries have been increasing at a rate such that even $75 million may not be sufficient to provide a U.S. contribution of 40 percent this year. Yet any reduction of the magnitude proposed by the Appropriations Committee would almost certainly have to be applied in major part to the U.N. development program.

Aside from the U.N. development program, the only other items in this appropriation amounting to more than $10 million are for the Indus Basin Development Fund, $25.5 million; the U.N. Relief and Works Agency in the Middle East, $13.3 million; and the U.N. Children's Fund, $12 million.

The Appropriations Committee report—page 7—expresses the desire that none of the reduction be applied to the Children's Fund. But does the committee really want to cut the Indus Basin Development Fund, which, under the expert administration of the World Bank, is remaking the face of India and Pakistan? Does it really want to cut the programs for Palestine refugees at this time of tension in the Middle East?

There are a great many other places where this bill could be cut by $11 million, or even several times $11 million, with benefit to our foreign policy generally as well as to the Treasury. But cuts should not be made in the appropriation for international organizations and multilateral programs.

## ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1967—AMENDMENTS

AMENDMENTS NOS. 492 AND 493

Mr. THURMOND submitted two amendments, intended to be proposed by him, to the bill (H.R. 7819) to strengthen and improve programs of assistance for elementary and secondary education by extending authority for allocation of funds to be used for education of Indian children and children in overseas dependents schools of the Department of Defense, by extending and amending the National Teacher Corps program, by providing assistance for comprehensive educational planning, and by improving programs of education for the handicapped; to improve authority for assistance to schools in federally impacted areas and areas suffering a major disaster; and for other purposes, which were ordered to lie on the table and to be printed.

## ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, December 6, 1967, he presented to the President of the United States the following enrolled bills and joint resolutions:

S. 320. An act to authorize the Secretary of the Army to release certain use restrictions on a tract of land in the State of North Carolina in order that such land may be used in connection with a proposed water supply lake, and for other purposes;

S. 343. An act to provide that the Federal office building to be constructed in Detroit, Mich., shall be named the "Patrick V. McNamara Federal Office Building" in memory of the late Patrick V. McNamara, a U.S. Senator from the State of Michigan from 1955 to 1966;

S. 814. An act to establish the National Park Foundation;

S. 1003. An act to amend the Flammable Fabrics Act to increase the protection afforded consumers against injurious flammable fabrics;

S. 1136. An act to amend section 9 of the act of May 22, 1928 (45 Stat. 702), as amended and supplemented (16 U.S.C. 581h), relating to surveys of timber and other forest resources of the United States, and for other purposes;

S. 2195. An act to amend the marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

S. 2565. An act to amend the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes;

S. 2644. An act to amend the Atomic Energy Community Act of 1955, as amended, the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, as amended;

S.J. Res. 35. Joint resolution consenting to an extension and renewal of the interstate compact to conserve oil and gas; and

S.J. Res. 101. 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.

## ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. GRIFFIN:

Statement by him relating to control of the predatory sea lamprey in the Great Lakes.

## DEATH OF PRESIDENT OSCAR GESTIDO OF URUGUAY

Mr. MORSE. Mr. President, I was shocked and saddened this morning to learn of the sudden death, from a heart attack, of President Oscar Gestido of Uruguay.

President Gestido, who had a long and brilliant record of service to his country, was elected just a year ago when Uruguayans voted to abandon their experiment with a plural executive and to return to a single President. Since taking office in March, he had waged a valiant campaign to solve Uruguay's monetary problems and to bring inflation under control.

Shortly after President Gestido's death, Vice President Jorge Pacheco Areco took the oath of office as President, in accordance with Uruguay's constitutional processes. President Pacheco has been a strong supporter of the Gestido policies and can be expected to continue them.

As chairman of the Subcommittee on American Republics Affairs of the Committee on Foreign Relations, I am sure I speak for all Members in extending our condolences to the people of Uruguay on the loss of their leader, at the same time that we wish their new leader success in the difficult days that lie ahead.

The change of government in Uruguay, coming as it has under such tragic circumstances, has once again demonstrated the strong devotion of the Uruguayan people to peaceful, orderly political processes.

## GEORGE MEANY ENDORSES PRESIDENT JOHNSON IN 1968

Mr. MORSE. Mr. President, George Meany, respected leader of the AFL–CIO, has given his enthusiastic endorsement to President Johnson in the 1968 presidential election.

Support of the labor movement for Democratic Presidents is not new—but has become a time-honored tradition—for the labor movement and the Democratic Party have been closely allied for over 30 years. It is an intellectual, political, and social alliance nourished by constant achievements for the labor movement and the Nation.

For three decades, Democratic Presidents have championed labor's cause. President Johnson and his Democratic predecessors have fought and won for the workers of America the right to organize and bargain collectively, improved minimum wage laws, and pushed back "right-to-work" movements in the large industrial States. They have brought about great changes in pension and retirement benefits for railroad workers and workers in other industries. They have extended the American dream of economic freedom, a decent standard of living, and the right to exercise powers of self-government, to every American worker.

Since President Johnson became President the average weekly wage of factory workers has risen $15 a week, over nine million additional workers have been brought under minimum wage protection, six million workers have found gainful employment, and millions of others have been brought under free collective bargaining.

With the solid support of the members of the AFL–CIO and their national leaders, I think labor will demonstrate again at the ballot boxes in November 1968 their preference for a continued Democratic administration.

## LANDLORDS HAVE LEGITIMATE BEEFS, TOO

Mr. BYRD of West Virginia. Mr. President, it was most distressing to me this past summer to read and hear many of the excuses and apologies trotted out to explain the rioting which tore apart many of our major cities. Most often utilized, perhaps, was the argument that if people live in slums and ghettos long enough they can be expected one day to break out under the strain and go on a rampage, looting, burning, and shooting anything in their path.

Following the riots, I stated that slums do not need to exist and that they are caused by the "slummy" people who kick holes in the walls, rip out the plumbing, and throw garbage down the stairs, instead of placing it in the garbage can.

Mr. President, in today's Washington Post, William Raspberry tells the plight of many so-called slum landlords in what he describes as an appeal for fairplay. Raspberry cites the cases of the landlords who go to considerable expense making repairs only to find the work destroyed in short order. Raspberry cites the hypothetical case of a landlord who attempts to bring his property up to inspection standards and who has a carpenter put in a new screen door. The next day the landlord hires a painter to paint the door, but the workman arrives to find the new screen kicked out during the night. The result is that the landlord is in violation of the housing code which requires screening.

Then, there is the case of the landlord who installs a new furnace only to find a few months later that a gaping hole has somehow been knocked through the furnace's side.

I wish to quote a few paragraphs from Mr. Raspberry's column:

Every major owner of low-income property in Washington can match these stories and supply worse ones: windows repeatedly broken, soda bottles down the toilet, holes punched through plaster walls.

Mr. President, many people in this country who do not riot do not have inside toilets into which to throw soda bottles. They do not have running water in their homes. They have outside toilets.

I continue to read from Mr. Raspberry's column:

Such damage, whether its source is maliciousness or carelessness, leaves the landlord in violation. His only relief is in eviction of the tenant, and even that can consume a good deal of time and money in Landlord and Tenant Court, often with the rent going unpaid during litigation.

Certainly the landlord ought to be responsible for providing sound, decent housing. But equally certain is the fact that much of the deterioration of housing in the slums is due to tenant abuse, not to landlord negligence.

Mr. President, I could not agree more with the perceptive statements which this Negro newspaperman has made on this matter. My only regret is that more people do not present fairly and factually both sides of the subject. As Mr. Raspberry points out in the final paragraph of his excellent column:

Obviously other things could be done. All I'm suggesting is that we be a bit less rash in pointing the accusing finger. There is more than enough blame to go around; this is a call for a more equitable distribution.

Mr. President, I ask unanimous consent to have printed in the RECORD the article by Mr. Raspberry.

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

LANDLORDS HAVE LEGITIMATE BEEFS, TOO

(By William Raspberry)

This column has often prosecuted the case for the low-income family constrained to live in near subhuman conditions in this city's slums.

Comes now the case for the defense. Or, to put it another way, an appeal for fair play.

Exhibit A could be the case of the landlord who, as part of his effort to bring his property up to code standards, had a carpenter put in new screen doors. The painter he sent out the next morning to paint them found the screening had been kicked out. Result: the landlord was in violation of Housing Code which requires screens.

Or take the landlord who installed a new furnace only to find a few months later that a gaping hole had somehow been knocked through the furnace's cast-iron side, leaving the furnace useless and the landlord in violation of the Housing Code.

Every major owner of low-income property in Washington can match these stories and supply worse ones: windows repeatedly broken, soda bottles down the toilet, holes punched through plaster walls.

Such damage, whether its source is maliciousness or carelessness, leaves the landlord in violation. His only relief is in eviction of the tenant, and even that can consume a good deal of time and money in Landlord and Tenant Court, often with the rent going unpaid during litigation.

Certainly the landlord ought to be responsible for providing sound, decent housing. But equally certain is the fact that much of the deterioration of housing in the slums is due to tenant abuse, not to landlord negligence.

When that happens, it is grossly unfair to blame the landlord.

One suggested remedy is that a landlord be required to bring his property into code compliance before renting it. Subsequent violations then should be charged to the landlord if they result either from structural defects or from normal wear and tear. If the damage is caused by tenants, then hold the tenants financially and perhaps even criminally responsible. (Lists of what constitute landlord or tenant violations could be drawn up as guidelines.)

While some property destruction results from pure malice, a good deal of it is the result of ignorance. An extreme example is the case of the tenants of a Capitol Hill row house who kept breaking out the basement windows. It turned out that the landlord had neglected to tell them how the thermostat worked, and the only way they could get the furnace to come on was to lower the temperature in the furnace room by breaking out the windows.

A second suggestion, then, is that someone (perhaps some of the city's poverty warriors could spare the time) set up a program of teaching slum residents how to care for their homes and how to make simple repairs. Such supplies as tools and paint could be made available without charge, with the landlord sharing the cost.

The final suggestion is for a review of the tax laws that can penalize a landlord for improving his property. The current laws don't always make sense. For example, the landlord who replaces a bathtub now, a washbasin next month and a commode in February is considered to be making *repairs*, a step that leaves his tax rate unaffected.

But let him rip out the bathroom fixtures and replace them all at once (the economical way to do it) and he is "guilty" of making *improvements*, and up go the taxes. Patching a roof a dozen times a year comes under the category of repairs; replacing the roof is an improvement.

Why can't it be deemed in the public interest to offer tax advantages—perhaps abatement for a few years, perhaps a reduction in the tax rate, perhaps mere assurance that the tax rate will not increase for a certain period—to landlords who improve their slum holdings? If there were definite incentives for landlords to maintain and improve their property; every body would benefit.

Obviously other things could be done. All I'm suggesting is that we be a bit less rash in pointing the accusing finger. There is more than enough blame to go around; this is a call for a more equitable distribution.

## ADDRESS BY DR. THOMAS L. HARRIS ON JUVENILE DELINQUENCY

Mr. BYRD of West Virginia. Mr. President, in view of the alarming increase in juvenile delinquency and the pressing national problem that it presents, it behooves us, I think, to take note of every successful device and every successful method that can be employed to combat it.

I have just received a copy of remarks made by Thomas L. Harris, M.D., before the recent meeting of the Committee on Crime and Delinquency in New York City. Dr. Harris is a resident of Parkersburg, W. Va., where he has been a driving force in efforts in that city to control delinquency and crime.

In his remarks he called attention to the fact that two agencies, the Boys' Club of America and Moral Re-Armament, commonly known as Sing-Out, have proved effective in Parkersburg in dealing with these problems.

I believe Members of this body and of the House of Representatives will be impressed, as I was impressed, by the

excellent results being accomplished in Parkersburg.

I ask unanimous consent that the text of the remarks made by Dr. Harris be inserted in the RECORD.

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

REMARKS BY DR. THOMAS L. HARRIS, BEFORE THE EMERGENCY COMMITTEE ON CRIME AND DELINQUENCY IN NEW YORK CITY

Mr. Chairman: I would be remiss to my *own conscience* if I did not express my thoughts as relates to crime and delinquency, as I understand this meeting is for a communication of thoughts on a most serious problem.

I have listened with rapt attention to the addresses of His Excellency, Governor Rockefeller; to the distinguished Senator from Arkansas, Senator McClellan; to the distinguished Senator Brooks from Massachusetts; to His Honor, Judge Edwards of the United States Court of Appeals; to His *Honor, the Attorney* General of the United States, Mr. Ramsey Clark; to Mr. Richardson, the Attorney General of Massachusetts; to Professor Vorenberg of Harvard Law College and to Professor Blakey of Notre Dame Law College; to Mr. Woll, General Counsel of A. F. & L. and C. I. O.; to Carl Loeb, President of the National Council on Crime and Delinquency; and other distinguished speakers. Mr. Chairman, these gentlemen have spoken of treating and combatting crime and juvenile delinquency in all of its phases, their previous experiences, and future plans and recommendations. But, I have not heard any expressions relative to the prevention of crime.

Mr. Chairman, I have been in the field of medicine for fifty-five years. In the early years I read and listened to all types of treatment for contagious diseases and infectious diseases which were the scourge of our Nation, as is crime today. Pest houses and contagious hospitals were in every city. Epidemics of contagious diseases were common throughout the United States and especially in the large cities. Schools had to be *closed; industries* were closed; cities, in certain areas, had to be quarantined. Work on the Panama Canal was stopped for one year on account of an epidemic of yellow fever.

Finding the cause of certain infectious diseases, and by vaccinating young children against the numerous contagious diseases such as yellow fever, small pox, typhoid fever, scarlet fever, diphtheria, tetanus, whooping cough and polio, all have been practically eradicated. You do not see quarantine signs on doors that were common thirty years ago. Contagious hospitals have been closed. Pest houses have been torn down or burned down.

I would like to call your attention to the fact that in 1952, poliomyelitis, or infantile paralysis as it is commonly known, claimed 57,870 people. In 1963, only 431 cases were reported. In 1965, only four cases were reported. Typhoid fever was responsible for one in every fifty deaths. Now, typhoid fever is practically eradicated. Occasionally you have a few sporadic cases reported. Smallpox—not a death in fifteen years. Scarlet fever—only nineteen cases reported in 1965. Diphtheria—not a death in the past five years. If the rate of whooping cough in 1943 had continued to the present, we would have 1,500,000 instead of only 40,000 reported cases in 1965.

Through medical research and the resourcefulness of our research-minded pharmaceutical companies in developing vaccines and antibiotics, the scourge of contagious diseases has been eliminated.

The figures given in the several addresses at this meeting indicate that crime has cost the United States government and state governments approximately twenty-seven billion dollars in 1966. During that same time, private industry, for protection against crime, has spent about one-and-a-half billion dollars. (Wall Street Journal, 11/13)

Mr. Chairman, preventive medicine has eliminated contagious diseases. Why not attempt to prevent crime by reducing juvenile vandalism and delinquency at its origin?

Senaor McClellan, in his knowledgeable address said, and I quote: "No civilized society can withstand such an assault on its moral structure. We must find and apply effective remedies to crime in order for our society to survive."

The Senator made four points that this Committee might consider in its study of the problems of riots and civil unrest.

Number One, and I quote: "There is a lack of proper instruction in the home and in the schools concerning the respect of law authorities and the rights of others. We must find and apply effective remedies for crime." It has been shown that 50% of all crimes are committed by teen-agers.

Mr. Chairman, we have two operating National agencies in Parkersburg, West Virginia, that have proven their effectiveness in controlling crime and delinquency, namely the Boys' Club of America, and Moral Rearmament, generally called "Sing-Out." In three years of operation of these two agencies, juvenile vandalism and delinquency have reduced, and I quote Chief of Police Lazell: "Better than 50%, to the point that it is not a serious problem." Judge Whaley of the Intermediate Court, and I quote: "I have not sent a boy to the reform school this year. We will always have some. The numbers vary in different years. However, this year we have committed six girls."

We have a Boys' Club of 485 disadvantaged boys from six to sixteen years of age, a Moral Rearmament "Sing-Out" group of ninety boys and girls, ages twelve to eighteen. Statistics show that these two organizations have done an outstanding job in proving their worth in our community. I wish to quote a statement made to me by Mr. Matsui of the Matsui Foundation in Japan: "In 1962, 80% of our school children had Communistic tendencies. Now we have less than 50% and still reducing. This was accomplished by establishing "Sing-Out" groups in all of our high schools."

In our governmental agencies we have a Neighborhood Facilities Program, administered at the local level by Community Action where their program is the uplifting of disadvantaged families. Where "there is a lack of instruction" and the great source of crime. (Senator McClellan)

Mr. Chairman, may I call your attention to the fact that in 1967, Congress appropriated only twenty-four million dollars for this program. It is through this program that moneys can be obtained to share the construction of Boys' Clubs with swimming pools and recreational areas. When the teenage group of boys have some place for recreation in the daytime, and some place to go at night, they are not on the street corners and alleys, which is the source of crime and delinquency.

In my humble opinion, Mr. Chairman, this is the place to use preventative tactics to fight or prevent crime. The disadvantaged boy is not born a bad boy—he is made that way by home environment and by the street corners and alleys.

It is a sound business investment when you spend money to prevent crime and lawlessness. Make taxpayers, instead of tax recipients!

## TRIBUTE TO VELMA WRIGHT IRONS

Mr. SPARKMAN. Mr. President, it is always inspiring to see one take a leading part in the good things of life—the things that really count.

A few days ago there died in Birmingham, Ala., a lady who had spent her life in community, church, and civic leadership. Velma Wright Irons founded the first sight-saving class in the public schools of Alabama. She cultivated the highest talents from the less fortunate children and gave them a sense of dedication and purpose in life. She was singled out for the highest honor bestowed on a classroom teacher by Freedom Foundation at Valley Forge, Pa., in receiving the classroom teacher's Freedom Foundation Medal in May 1964.

Elected to Who's Who in American Women and Who's Who in American Education, she was a noted leader in the field of education.

Velma Wright Irons was much more than a school teacher. She stood for the highest ideals in life and she instilled in all who surrounded her, a genuine desire to strive until the heights of their talents had been found. Her daily lessons were her actions rather than her words. Many of her students were inspired by her life to become lawyers, physicians, teachers, and ministers.

I think it is very noteworthy to mention that the present Miss Alabama, Miss Becky Alford, of Birmingham, was one of Mrs. Irons' students.

In the formative years, countless numbers were touched by her life and she kindled in her students the secret of success in the adventure of life—lofty ideals, dedication to principle, and toil and sacrifice to obtain those goals. Her life is an inspiration to us all. Her breadth of service included more than her profession as a teacher—the family, community, a university, church, and civic affairs.

In an age of declining morals, America salutes this woman for her ideals, her courage and dedication to principle, and her toil and sacrifice for her school, community, and Nation. She stood for the harder right instead of the easier wrong. America greatly needs more dedicated citizens like Velma Wright Irons.

Mr. President, I ask unanimous consent that there be printed in the RECORD an article which was published in the Birmingham News of November 24, 1967.

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

MRS. GEORGE IRONS, CITY TEACHER, DIES

Mrs. George V. Irons Sr., 316 Gran Ave., a leader in educational circles here many years, died Thursday in a local hospital.

Funeral will be at 2 p.m. Saturday at Johns-Ridout's Southside. Burial will be in Elmwood Cemetery.

A native of Wedowee, Mrs. Irons was a graduate of the University of Alabama and had been active in school, church, and civic affairs many years.

Mrs. Irons, a teacher in the Birmingham public school system nearly 20 years, was twice nominated in Alabama's Favorite Teacher contest. She was a runnerup in 1952.

She founded the first sight-saving class in Jefferson County.

She was a member of the Birmingham PTA Council, Birmingham Beautification Board, National Education Association, Alabama Education Association, Classroom Teachers Association, Kappa Delta Epsilon, and Altrusa Club.

Mrs. Irons was a former vice president of the American Association of University Women and was a former president of the Faculty Wives Club at Samford University. She was a member of the Southside Baptist and Ruhama Baptist Church, where she taught Sunday School more than 10 years. She also was a member of United Daughters of the Confederacy.

## CONFERENCE ON POSTAL RATES AND FEDERAL SALARIES

Mr. BYRD of Virginia. Mr. President, the Washington Post this morning published an interesting article by Jerry Kluttz.

Mr. Kluttz is an able and experienced reporter specializing in matters affecting Government employees. This morning's report deals with the Senate-House conferees' disagreement on several matters in the Federal pay bill which was passed by the Senate recently.

Apparently the conferees have become deadlocked over two items. One item concerns third-class postal rates and the other item concerns the establishment of a Presidential Commission to set the salaries of the Members of Congress along with the salaries of other high officials in the executive branch of Government.

The Johnson administration has thrown its support behind the House proposal to set up a Commission which, every 4 years, beginning next year, would recommend salary adjustments for the executive branch, for the Supreme Court Justices, and for Congress.

When the bill came before the Senate, it carried that provision establishing such a Presidential Commission. On November 6, I introduced an amendment on the floor to knock it out and asked that it be referred to the appropriate committee, which was the Committee on Post Office and Civil Service. On November 9, the committee did knock out that provision. When the Senate passed the legislation at a later date, it was passed without that provision.

At the present time, the Senate conferees are battling hard to prevent the reinsertion of such a provision.

The Senator from Oklahoma [Mr. MONRONEY], chairman of the conferees, stated, as reported by Mr. Kluttz in his article today, that there was overwhelming sentiment in the Senate against such back-door salary increases.

I commend the distinguished Senator from Oklahoma [Mr. MONRONEY], and the other conferees—the Senator from Texas [Mr. YARBOROUGH], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Kansas [Mr. CARLSON], and the Senator from Hawaii [Mr. FONG]—for the strong fight they are making in this regard.

It would be tragic if Congress were to turn over to a Presidential commission the right to set the salaries of the legislative and judicial branches—and in the executive branch, for that matter, of Cabinet officers and other high officials. That is the responsibility of Congress.

It would also give the President additional power over the legislative branch which, to my mind, would be tragic.

Another aspect which I think is bad is that it would permit the increasing of salaries of Congressmen without the Congressmen themselves voting on them.

I know that the American people want their Congressmen to be adequately paid, but when their salaries are raised the people want them to be raised by a recorded vote, so that the people of this country can know just what the situation is and that everything will be open and aboveboard.

That is what the Senator from Oklahoma [Mr. MONRONEY] and his fellow conferees are fighting for, and I rose today merely to commend them and to say that so far as I am concerned, I stand wholeheartedly behind them.

## INCREASE OF FEDERAL SHIP MORTGAGE INSURANCE AVAILABLE IN THE CASE OF CERTAIN OCEANGOING TUGS AND BARGES

Mr. BARTLETT. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2247.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2247) to amend the Merchant Marine Act, 1936, to increase the Federal ship mortgage insurance available in the case of certain oceangoing tugs and barges, which was, strike out all after the enacting clause and insert:

That the fourth sentence of section 509 of the Merchant Marine Act, 1936 (46 U.S.C. 1159), is amended by inserting immediately before the words "the applicant" the following: "or in the case of an oceangoing tug of more than two thousand five hundred horsepower or oceangoing barge of more than two thousand five hundred gross tons,".

Mr. BARTLETT. Mr. President, I move that the Senate agree to the House amendments, which merely clarify the intent of the bill as passed by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alaska.

The motion was agreed to.

## NO. 2 FUEL OIL SITUATION

Mr. JAVITS. Mr. President, for some time now, I have watched with close attention the No. 2 home heating fuel oil situation in New York and on the east coast. As this fuel is used by millions of New Yorkers as home heating fuel during the winter, I have been in close touch with the fuel oil distributors in New York, with Secretary of Defense McNamara, and with Secretary of Interior Stuart Udall.

On September 20 I wrote to Secretary McNamara requesting that he release U.S.-flag tankers needed to transport No. 2 fuel oil from the U.S. gulf area to the east coast. In the Department's reply of September 29, I was informed that four DOD-chartered U.S.-flag vessels were released to commercial trade in September and five additional vessels were to be released on November 15.

On November 8, I wrote Secretary Udall requesting that he furnish me with a detailed report on the adequacy of stocks of No. 2 fuel oil on the east coast, on the current price situation, and the relationship of import controls to the existing supply situation. I also urged Secretary Udall that the Federal Government do all within its power to insure that adequate supplies of No. 2 heating fuel oil are available to east coast consumers during the coming winter at the most reasonable cost.

In his reply, which I received yesterday, Assistant Secretary of the Interior Cordell Moore informed me that inventories as of November 10 had risen to almost 81 million barrels, the highest level for comparable date in the history of the fuel distribution industry and almost 2½ million barrels or 3 percent higher than the same date last year. He confirmed the earlier statement made by the Department of Defense that the tanker situation had substantially eased with the return of U.S.-flag vessels under military charter to gulf coast-east coast service. He also informed me that production runs are at an unusually high level, distillate fuel production running as high as 28 percent per crude barrel in some periods.

He reports that retail prices of this fuel in September—the latest month for which statistics are available from the Bureau of Labor Statistics—were up 0.9 cent per gallon in New York as compared to a year ago, a very serious increase of roughly 5 percent. Apparently, increased transportation costs contributed to this price rise. However, Secretary Moore indicates that with the improved supply picture, discounting of wholesale prices is now taking place.

One of the questions that has been raised is whether or not relaxation of import controls at this time could further improve the supply situation. According to the Interior Department, heating oil supplies are much tighter outside the United States where the Middle East crisis and the closure of the Suez Canal had a more serious impact. Price rises have been four or five times higher in large European markets than in New York, for example. The situation is reportedly extremely tight in the Caribbean producing areas, raising the question whether heating oil imports could be substantially increased on an immediate and temporary basis. As further evidence of the tight supply situation abroad, Assistant Secretary Moore informs me that one of the companies which received 60 percent of the total allocation by the Oil Import Appeals Board recently informed the Board that it would not be able to obtain supplies before the end of the year and requested that it be allowed to carry over its unused tickets into next year.

Unlike No. 6 fuel oil, most of which is imported into the United States from abroad, 98 percent of the east coast supplies come from U.S. refineries with imports accounting for not more than 2 percent of consumption.

Judging from the information supplied to me in this letter by Secretary Cordell Moore, I believe the No. 2 fuel oil situation is in reasonably good shape and should be allowed to remain as is for the moment. I remain seriously concerned about the higher retail prices of this fuel

and will therefore continue to keep a close watch on this situation.

On November 15 I wrote Chairman SMATHERS of the Small Business Committee of which I am ranking minority member informing him that a problem may exist regarding No. 2 fuel supplies which the Committee should look into. On November 21 Senator SMATHERS replied to me indicating that the committee will inquire with the Secretary of the Interior regarding the current and future situation of No. 2 fuel oil supplies on the east coast and that he will decide on the necessity for hearings should Secretary Udall's reply warrant it.

I ask unanimous consent that my exchange of correspondence with Secretary McNamara, Secretary Udall, and Chairman SMATHERS be inserted in the RECORD at the conclusion of my remarks.

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

SEPTEMBER 20, 1967.

Hon. ROBERT S. MCNAMARA,
*Secretary of Defense,*
*The Pentagon,*
*Washington, D.C.*

DEAR SECRETARY MCNAMARA: There is a tight supply situation developing on the East Coast that could result in sizable price increases to consumers of #2 Fuel Oil (household heating fuel). Since this product is used by millions of householders in New York and in other states on the East Coast, the added burden in the cost of living would be widespread.

I am informed that the main reason for this shortage is insufficient supply of U.S. flag tankers. The prime source of supply of #2 Fuel Oil is in the U.S. Gulf area and the movement up to the East Coast is intercoastal trade and therefore U.S. flag vessels must be used.

Due to increased national security requirements in connection with the war in Viet Nam, the return of much procurement of fuel to domestic sources to lessen the dollar outflow and to improve our balance of payments, and more recently due to the Middle East crisis, the Department of Defense chartered every available U.S. flag vessel earlier this year. While some of the above factors still are in effect, with the availability of petroleum products in the Persian Gulf now returned to normal, I urge you to release U.S. flag vessels to be used in the East Coast trade. This move will not only continue to keep these vessels in operation and assist our domestic producers and marketers, but it will also very materially help the East Coast consumer by relieving the critical supply position that currently exists.

Other moves to bring relief to the East Coast may be necessary, such as the easing of oil import quotas, especially if we have an unusually hard winter, but meanwhile you could very materially help relieve the present crisis.

With best regards,
Sincerely,

JACOB K. JAVITS.

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ASSISTANT SECRETARY OF DEFENSE,
*Washington, D.C., September 29, 1967.*

Hon. JACOB K. JAVITS,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR JAVITS: This is in reply to your letter to Secretary McNamara of September 20, 1967, in which you requested the Department of Defense to release U.S. flag vessels for use in the East Coast trade.

We are aware of the supply situation on the East Coast and have had discussions with the Department of the Interior on this subject, including the possibility of our releasing additional U.S. flag vessels.

The Department of the Interior has advised us recently however, that the No. 2 fuel oil situation on the East Coast is improving. Factors contributing to the improvement are: (1) an increase in distillate fuel oil stocks on the East Coast; (2) the recent relaxation on No. 4 fuel oil imports; (3) the opening of the Trans-Arabian pipeline on September 15, 1967; (4) the decisions of the Oil Imports Appeals Board on 27 September 1967 granting import quotas to several East Coast No. 2 fuel oil suppliers; and (5) the recent return to the commercial trade of four DoD chartered U.S. flag vessels, with five more scheduled for return by November 15, 1967.

Despite the fact that the Department of Defense is also finding it difficult to meet tanker requirements under present conditions and the fact that we also are governed by public laws (Title 10, US Code, Sec. 2631 and Title 46, US Code, Sec. 1241(b)) on the use of U.S. flag vessels, everything possible will be done to assist the Department of the Interior and other governmental agencies to avoid a critical heating oil shortage on the East Coast.

Sincerely,

PAUL H. RILEY,
*Deputy Assistant Secretary of Defense (Supply and Service).*

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NOVEMBER 8, 1967.

Hon. STEWART L. UDALL,
*Secretary, U.S. Department of the Interior, Washington, D.C.*

DEAR MR. SECRETARY: There has been much discussion in and out of the press as to whether or not a supply emergency exists on the East Coast of Number 2 fuel oil and what are the pertinent facts concerning this issue. As you are so well aware, this matter vitally concerns both our national security and the interests of millions of household consumers of this product. I know that last month the Oil Imports Appeals Board rendered affirmative decisions on several applications for import allocations for this year and that the Department of Defense—in a step which I strongly urged on Secretary McNamara in late September—has recently returned four DOD chartered U.S.-flag vessels to the commercial trade and that five more are scheduled for return by November 15, 1967, to relieve the shortage of tankers on the East Coast. I believe, however, the Federal Government must go beyond these actions and do all within its power to ensure that adequate supplies of Number 2 heating fuel at the most reasonable effective cost are available to East Coast consumers during the coming winter and the years ahead.

In this regard I would appreciate answers to the following questions:

1. What are the facts regarding the price of Number 2 fuel oil to the consumer this year and the previous year? What are the reasons for the rise in its retail price to the consumer this year as compared to last year? How much have ocean transportation costs risen in this period? To what degree has this contributed to higher prices?

2. What is the cause of the current tight supply situation on the East Coast? (a) the Middle East crisis; (b) Department of Defense transfer of procurement to U.S. from foreign countries; (c) conversion of Number 2 fuel oil consumption from other fuels for reasons of air pollution; (d) tight controls on importation of Number 2 fuel oil; (e) conversion to production of other products by domestic refineries due to hydrocracking and other refinery techniques; (f) any other reasons.

3. Could the current tight supply situation be substantially relieved by the immediate and temporary leasing of restrictions on Number 2 fuel oil imports? Is there Number 2 fuel oil now available outside the U.S. for shipment during this winter season—from Venezuela? from elsewhere in the Caribbean area?

4. Will the allocations given out by the Oil Imports Appeals Board all be lifted and delivered in 1967, and if not, why not?

5. How serious will be the impact on our balance of payments in any significant relaxation of import controls on Number 2 fuel oil?

6. What percentage (also volume) of total East Coast requirements of this product is supplied from refineries located in the U.S. and its territories?

7. If controls are lifted on Number 2 fuel oil what will be the impact on these refineries?

With best wishes,
Sincerely,

JACOB K. JAVITS.

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U.S. DEPARTMENT OF THE INTERIOR,
*Washington, D.C., December 4, 1967.*

Hon. JACOB K. JAVITS,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR JAVITS: The questions regarding the supply of No. 2 fuel oil in your letter of November 8 have received our closest attention. As you know we have been concerned about the East Coast heating oil supply and inventory situation since last summer and are continuing to watch the situation closely.

There is enclosed a copy of our latest review of the supply/demand and price picture on distillate fuel oil, with particular reference to the New York-New England region. As of November 10, inventories on hand to begin the heating season in District I had risen to almost 81 million barrels, the highest level for a comparable date in the history of the fuel distribution industry, and are almost 2½ million barrels or 3% higher than the same date last year. Stocks in place on the East Coast have risen by 34 million barrels in the past three and a half months, as compared to a 26 million barrel build-up in the same period of 1966. This favorable turn has, we think, demonstrated the capacity of domestic refiners to produce and transport heating oil when the market demands it.

The heaviest deficiency in inventory build-up occurred in June and July with the result that stocks in late July were over 5 million barrels short of the previous year's level. This was due largely to the Middle East crisis. The closure of the Suez Canal and an almost complete shutdown on supplies to Western Europe resulted in diversion of tanker capacity which might otherwise have been used to rebuild District I inventories. Inability to move that particular product during that period temporarily discouraged production of distillate fuels in Gulf Coast refineries. It also appears that the crisis stimulated movement of inventories into secondary (distributors) storage which is unreported. Both the transportation and production pictures changed radically in September and October. The tanker situation has substantially eased with the return of U.S. flag vessels under military charter to Gulf Coast-East Coast service. As you know, the Interior Department had discussions with the Defense Department about this starting in August. Recently, expanded capacity of Colonial Pipeline has been made available to supplement East Coast supply lines. A much larger portion of the crude barrel has been allocated to distillate fuel production, running as high as 28% in some periods. As a result of these recent developments we tend to be optimistic with regard to the coming heating season.

More specific answers to your questions are as follows:

1. Retail prices of No. 2 distillate fuel oil in September (the latest month for which statistics are available from the Bureau of Labor Statistics) were up about 0.7¢/gal. in Boston and 0.9¢/gal. in New York over a year ago. This is an increase of roughly 5%. The disruptions caused by the Middle East crisis in supply of crude and availability of tankers probably were the most significant contributors to the price rise. Recently with the improved supply picture, we have received some reports of discounting of wholesale prices.

2. The seasonal nature of heating oil demand in the Northeast requires reliance on a high initial inventory which is gradually drawn down to supplement supply shipments during the heating period. Stocks are normally at their peak in November, hit their lowest point about April, and then begin to build systematically for the next season. This pattern was disrupted earlier this year. First, there was an abnormal drawn-down of inventories that carried into the month of May, caused by an unusually cold late spring. Before the resulting deficit could be corrected, hostilities broke out in the Middle East with results that effected petroleum supplies and tankers worldwide. It should be emphasized, however, that there was no actual shortage of fuel oil in the Northeast at any time. The minimum inventory level in District I never fell below 29 million barrels, the usual minimum figure reached each spring. In January this might have been serious; in March or April, it was not. This picture has steadily improved since the summer period and East Coast distillate fuel oil inventories have risen to all time record highs by mid-November.

3. Heating oil supplies are reported to be much tighter outside the U.S. where the Middle East crisis and the closure of the Suez Canal had a more serious impact. Sharply higher heating oil prices of as much as 4¢/gal. are reported in certain large European markets. Major heating oil suppliers in the Caribbean are making every effort to supply increased quantities to Europe to meet expected winter demand. In view of this situation, it is questionable that heating oil imports could be substantially increased on an immediate and temporary basis, and any such diversion of available supplies to the U.S. might cause shortages in Europe.

4. The petitioners who were granted No. 2 fuel oil quotas by the Oil Import Appeals Board indicated to the Board that they would be able to obtain the product during the remainder of 1967. Of the three special allocations granted for importing distillate fuel oil, one company accounting for almost 60 percent of the total allocation notified the Oil Import Appeals Board that it would not be able to obtain supply before the end of the year, and requested that it be allowed to carry over its unused tickets into next year.

5. The U.S. market for No. 2 fuel oil is supplied almost entirely from domestic sources with only about 1.6% being imported. Therefore, any significant relaxation of import controls on this product would have an adverse effect on our balance of payments.

6. In 1966 over 98% of East Coast supplies of distillate fuel oil came from U.S. refineries. Local refineries provided 364,000 B/D, Gulf Coast shipments were 712,000 B/D, Puerto Rico supplied 13,000 B/D, and imports were 21,000 B/D. Imports of this product have never been over 2% of consumption.

7. If controls are lifted on No. 2 distillate fuel oil, imports would increase to the level permitted and U.S. refinery production and crude run would decrease by a like amount. The end result would be to export refinery capacity and thereby become partially dependent on foreign refineries for some petroleum products.

If there is any additional information you wish, we will be pleased to supply it. You may be assured that we will continue to keep this matter under surveillance as we have since the outbreak of the Middle East crisis.

Sincerely yours,

CORDELL MOORE,
*Assistant Secretary of the Interior.*

Enclosure.

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DISTILLATE FUEL OIL

Distillate fuel oil is marketed as two main products; namely, diesel fuel and distillate heating oil. There are several grades of distillate heating oil but No. 2 oil accounts for about 85% of total sales. The U.S. demand for these products is shown below:

| | 1966 U.S. demand (thousand barrels per day) | Average growth rate 1962–66 (percent) |
|---|---|---|
| Diesel fuel | 775 | 5.8 |
| Distillate heating oil | 1,443 | 1.0 |
| Total distillate fuel oil | 2,218 | 2.6 |

Total U.S. distillate fuel oil sales in 1966 were 2,218,000 B/D, with distillate heating oil accounting for 65% of the total. Total demand has been growing by 2.6%/yr., but the fastest growth is in the diesel fuel oil segment. Distillate heating oil demand is only growing by 1.0%/yr. This slow growth is largely due to the inroads made in the home heating markets by natural gas and electricity. These general trends are expected to continue.

Distillate fuel oil is clearly the second most important product of the domestic refining industry as indicated below:

*1966 refinery yields of major products*

| | Percent |
|---|---|
| Motor fuel | 44.6 |
| Distillate fuel oil | 22.8 |
| Residual fuel oil | 7.4 |
| Jet fuel | 6.2 |
| Asphalt | 3.8 |
| Kerosene | 3.0 |
| Coke | 2.6 |
| Lubricants | 1.9 |
| Other products | 7.7 |

The refinery yields of distillate fuel oil increased from about 19.0% of crude run in 1950 to a high of 24.1% in 1963. (See Table I). This yield has dropped slightly in recent years because the demand for other refinery products has been growing faster than the demand for distillate fuel oil. Most forecasts indicate that distillate fuel oil demand will continue to grow slower than demand for other refinery products, so that still lower distillate yields will probably be required to meet market demand in the future. The recent development of hydrocracking technology together with catalytic cracking should allow sufficient flexibility to change refinery yields in response to this changing market requirement.

TYPICAL REFINERY OPERATIONS

In general refinery products fall into four main groups: (1) gasoline and lighter products; (2) residual products like residual fuel oil and asphalt; (3) specialty products like lubricating oils and (4) middle distillates. Middle distillates, as the name implies, are the products produced from the middle boiling range portion of the crude barrel and include kerosene, jet fuel, diesel fuel oil and distillate heating oil. These products have overlapping boiling ranges and to some extent may be produced from common blending stocks.

Jet fuel and kerosene are normally blended entirely from virgin streams produced directly from the crude distillation units. On the other hand, the diesel and distillate heating oil (No. 2 oil) contain large amounts of cycle stock from the catalytic cracking units. In a typical catalytic cracking unit about one-fourth of the feed is not converted into gasoline or lighter products and remains in the middle distillate boiling range. This material, commonly referred to as cycle stock, is blended into distillate heating oil and diesel oil.

Distillate heating oil production in a refinery can be increased without changing crude run by (1) increasing the yield of cycle stock from the cat cracking units or (2) by reducing the cat cracking feed rate and blending the virgin feed directly into heating oil. For example, East Coast refinery yields of distillate fuel oil will vary between 23–28% depending on product demand. In addition, refinery crude runs can be increased to meet higher product demand. These steps offer the refinery considerable flexibility in changing refinery yields to meet product demand.

PLANNING FOR SEASONAL DEMAND

U.S. domestic demand for distillate fuel oil follows a strong seasonal pattern. Winter month demand is typically 3 million B/D—double the summer month demand of some 1.5 million B/D. This changing demand is met both by changing refinery production in response to demand and by seasonal additions to or withdrawal from storage. For example, 75% of peak winter U.S. demand is supplied from current refinery production including imports, and 25% from a drawdown of inventory.

The optimum balance between the refinery production schedules and inventories to cover a given level of demand is determined through economic studies by each supplier. These studies are complicated by the unpredictable nature of the weather. For example, distillate fuel oil demand in Districts I–IV is increased by about 35,000 barrels if temperatures decrease by 1° F for one day. If temperatures are 1° F cooler for the entire winter then demand increases by 35,000 B/D.

Studies on weather variability and other factors show that a refiner can cover demand in some 65 out of 100 years by protecting for a demand some 6–7% above normal. By protecting for a demand 12–14% above normal some 98 out of 100 years will be covered. To a large extent this customer protection is provided by the refinery flexibility to substantially increase distillate fuel oil yields rather than by carrying inventories which would be greatly excessive for a normal year.

SUPPLY AND DEMAND IN DISTRICT I

There are three principal sources of distillate fuel oil for District I (East Coast States). In 1966 refineries in the District provided one-third of the total supply of 1,100,000 barrels daily, 37% came from District III (Gulf Coast) by tanker, 27% from District III by pipeline, and only about 3% was imported. Output from local refineries has been fairly stable during the last five years while receipts from District III have grown slowly in line with demand. The principal change has been in the mode of transportation, by way of sharply increasing shipments via pipeline following completion of the Colonial Pipeline from Texas to New York in 1964, with a decline of tanker shipments. (See Table II).

Output of local refineries is higher in winter than in summer, but peak month receipts from the Gulf Coast in winter are nearly double the lowest summer month. This demonstrates the large degree of flexibility to move the product when circumstances require. (See Table III).

Deliveries of distillate fuel oil to consumers in District I has grown erratically over the last five years at an average annual rate of 3.5 percent. However, deliveries to heating customers has grown more slowly, 1.9%. Although the figure for heating has not been corrected for temperature variations, these can be assumed to have about

evened-out over a period of this length. (See Table IV).

Sales of distillate fuel oil in District I are concentrated in the Middle Atlantic (N.Y., N.J., and Penn.) area which accounts for slightly more than half of total use on the East Coast, with the New England and South Atlantic areas sharing the remainder about equally. (See Table V).

PRICES FOR DISTILLATE FUEL OIL—DISTRICT I AND GULF COAST

Published prices for distillate fuel oil, as for other petroleum products, are those posted by Platts Oilgram Price Service at the wholesale level and by the Bureau of Labor Statistics at retail. While these wholesale prices do not always reflect the actual price at which transactions are made because of unknown discounts, or occasionally premiums, they are representative for indicating trends.

Between 1960 and 1966 the annual average retail price for No. 2 heating oil in New York City rose 1.49 cents per gallon to 16.32 cents. Most of this increase, 1.04 cents, was in the margin between the selling price at terminals in New York and the delivered price to consumers. The major element in this margin is delivery costs in which labor (truck drivers) is a large factor. Wage rates in the motor freight industry—probably representative for all trucking—rose almost 30 percent from 1960 to 1966. In addition, growing traffic congestion in metropolitan areas has reduced the number of deliveries per day that a truck can make, thus adding to costs. Price trends in Boston are similar to those in New York.

Preliminary data for the first ten months of 1967 indicate continuation of the upward price trends. Details of these prices are shown on attached Tables VI and VII. The wholesale price index for distillate fuel oil in the U.S., with 1957–59 equalling 100, was 103.4 compared to 106.5 for all commodities excluding farm and food products in September 1967.

THE TANKER RATES

The upward movement of tanker rates generated by the closing of the Suez Canal also has contributed to the increase in prices in New York. However, most Gulf Coast to East Coast movement is made in vessels owned by oil companies, or those on long-term charter, with only about 10–20 percent going on "spot" charter. Thus, with the Gulf Coast price for No. 2 fuel oil up 1.04 cents per gallon, and the "spot" charter up 1.03 cents, the New York terminal price is up only 1.06 cents.

[In cents per gallon]

| | August distillate fuel oil prices | | |
|---|---|---|---|
| | 1966 | 1967 | Difference |
| Gulf coast wholesale | 8.59 | 9.63 | 1.04 |
| Spot tanker charter, gulf to New York | 1.13 | 2.16 | 1.03 |
| New York terminals | 9.74 | 10.8 | 1.09 |

THE 1967 INVENTORY POSITION

Table VIII shows inventories of distillate fuel oil in the U.S. by PAD Districts. At the end of April stocks were above the 1966 level. However, by June stocks had declined some 4.6 million barrels below 1966 and this deficit increased to almost 8 million barrels in July, about 5.6% below 1966. District I (East Coast states) accounted for 5 million barrels of this difference in July. Since July the inventory picture has steadily improved. Latest figures for the week ending October 27 show that total stocks had climbed to 181.4 million barrels and were only 2.4 million barrels below 1966—a difference of about 1.3%. District I inventories actually moved ahead of 1966 levels by 0.7 million barrels.

OFFICE OF OIL AND GAS.

TABLE I.—U.S. DISTILLATE FUEL OIL DATA

| Year | Refinery production | | Domestic demand (millions of barrels) | Imports (millions of barrels) | Exports (millions of barrels) | End of year stocks (millions of barrels) |
|---|---|---|---|---|---|---|
| | Millions of barrels | Percent on crude | | | | |
| 1950 | 399 | 19.0 | 395 | 3 | 13 | 72 |
| 1955 | 603 | 22.1 | 581 | 4 | 25 | 111 |
| 1960 | 667 | 22.6 | 685 | 13 | 10 | 138 |
| 1961 | 697 | 23.3 | 694 | 17 | 7 | 152 |
| 1962 | 720 | 23.5 | 732 | 12 | 8 | 145 |
| 1963 | 765 | 24.1 | 747 | 9 | 15 | 157 |
| 1964 | 742 | 23.0 | 750 | 12 | 5 | 156 |
| 1965 | 765 | 23.2 | 776 | 13 | 4 | 155 |
| 1966 | 786 | 22.8 | 797 | 14 | 5 | 154 |

TABLE II.—SUPPLY AND DEMAND FOR DISTILLATE FUEL OIL—DISTRICT I

[In thousands of barrels per day]

| | 1966 | 1965 | 1964 | 1963 | 1962 | 1961 |
|---|---|---|---|---|---|---|
| Refinery production | 364 | 344 | 356 | 380 | 356 | 366 |
| *Receipts:* | | | | | | |
| District II: Pipeline | 1 | | | 1 | 2 | 1 |
| District III: | | | | | | |
| Pipeline | 297 | 231 | 125 | 66 | 46 | 44 |
| Tanker | 408 | 454 | 528 | 593 | 536 | 518 |
| Barge | 3 | 3 | 3 | 3 | 3 | 3 |
| District V: Tanker | 3 | 3 | 3 | 6 | 10 | 6 |
| Total receipts | 712 | 691 | 659 | 669 | 597 | 572 |
| Imports | 34 | 31 | 29 | 21 | 27 | 43 |
| Total supply | 1,110 | 1,066 | 1,044 | 1,070 | 980 | 981 |
| Stock change | +1 | −14 | +18 | +22 | −31 | +29 |
| Total demand | 1,109 | 1,080 | 1,026 | 1,048 | 1,011 | 952 |
| Shipped to district II | 16 | 12 | 11 | 9 | 9 | 9 |
| Local demand | 1,093 | 1,068 | 1,015 | 1,039 | 1,002 | 943 |
| Stocks, end of year | 63,800 | 63,400 | 68,300 | 61,800 | 53,800 | 65,200 |

TABLE III.—SUPPLY AND DEMAND FOR DISTILLATE FUEL OIL—DISTRICT I

[In thousands of barrels per day unless otherwise noted]

| | January | February | March | April | May | June | July | August | September | October | November | December |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1965 | | | | | | | | | | | | |
| Refinery production | 360 | 345 | 326 | 333 | 304 | 308 | 338 | 358 | 362 | 352 | 323 | 341 |
| Receipts: | | | | | | | | | | | | |
| District II: Pipeline | 5 | 1 | | | | | 5 | 7 | | 11 | 14 | |
| District III: | | | | | | | | | | | | |
| Pipeline | 250 | 229 | 183 | 139 | 136 | 164 | 178 | 213 | 246 | 248 | 279 | 365 |
| Tanker | 589 | 546 | 457 | 450 | 407 | 323 | 367 | 363 | 359 | 432 | 423 | 494 |
| Barge | 3 | 3 | 4 | 3 | 3 | 2 | 3 | 3 | 3 | 4 | 3 | 3 |
| District V: Tanker | 5 | 10 | | | | 6 | | | | 7 | 3 | |
| Total receipts | 852 | 789 | 644 | 592 | 566 | 495 | 553 | 586 | 608 | 702 | 722 | 862 |
| Imports | 34 | 28 | 36 | 24 | 36 | 11 | 26 | 45 | 29 | 38 | 27 | 33 |
| Total supply | 1,246 | 1,162 | 1,006 | 949 | 906 | 814 | 917 | 989 | 999 | 1,093 | 1,072 | 1,236 |
| Stock change | −411 | −508 | −364 | −62 | +233 | +241 | +438 | +244 | +257 | +225 | −128 | −362 |
| Total demand | 1,657 | 1,670 | 1,370 | 1,011 | 673 | 573 | 479 | 745 | 742 | 868 | 1,200 | 1,598 |
| Shipped to district II | 8 | 6 | 8 | 10 | 13 | 17 | 5 | 10 | 15 | 20 | 13 | 15 |
| Local demand | 1,649 | 1,664 | 1,362 | 1,001 | 660 | 556 | 474 | 735 | 727 | 848 | 1,187 | 1,583 |
| Stocks end of month (thousands of barrels) | 55,527 | 41,298 | 30,002 | 28,137 | 35,373 | 42,614 | 56,204 | 63,778 | 71,503 | 78,468 | 74,620 | 63,413 |

TABLE III.—SUPPLY AND DEMAND FOR DISTILLATE FUEL OIL—DISTRICT I—Continued

[In thousands of barrels per day unless otherwise noted]

| | January | February | March | April | May | June | July | August | September | October | November | Decembe. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1966 | | | | | | | | | | | | |
| Refinery production | 374 | 383 | 336 | 331 | 356 | 337 | 355 | 401 | 406 | 360 | 354 | 383 |
| Receipts: | | | | | | | | | | | | |
| District II: Pipeline | 1 | 1 | 1 | 1 | ------- | ------- | ------- | 1 | ------- | 1 | ------- | 1 |
| District III: | | | | | | | | | | | | |
| Pipeline | 407 | 342 | 235 | 183 | 216 | 219 | 231 | 287 | 317 | 303 | 377 | 443 |
| Tanker | 631 | 595 | 482 | 390 | 371 | 371 | 295 | 333 | 305 | 320 | 385 | 424 |
| Barge | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 3 | 1 | 3 | 2 | 6 |
| District V: Tanker | 5 | 12 | ------- | ------- | ------- | 4 | ------- | 6 | 6 | 5 | ------- | 4 |
| Total receipts | 1,047 | 953 | 721 | 576 | 590 | 597 | 529 | 630 | 629 | 632 | 764 | 878 |
| Imports | 27 | 10 | 19 | 46 | 35 | 54 | 32 | 30 | 35 | 43 | 27 | 47 |
| Total supply | 1,448 | 1,352 | 1,076 | 963 | 981 | 988 | 916 | 1,061 | 1,070 | 1,036 | 1,145 | 1,308 |
| Stock change | −314 | −469 | −244 | −112 | +163 | +256 | +358 | +321 | +380 | +159 | −140 | −376 |
| Total demand | 1,762 | 1,821 | 1,320 | 1,065 | 818 | 732 | 558 | 740 | 790 | 876 | 1,285 | 1,684 |
| Shipped to district II | 17 | 13 | 16 | 16 | 14 | 15 | 11 | 10 | 17 | 16 | 19 | 20 |
| Local demand | 1,745 | 1,808 | 1,304 | 1,049 | 804 | 717 | 547 | 730 | 773 | 860 | 1,266 | 1,664 |
| Stocks end of month (thousands of barrels) | 53,674 | 40,535 | 32,956 | 29,585 | 34,644 | 42,322 | 53,435 | 63,387 | 74,794 | 79,713 | 75,498 | 63,834 |
| 1967 | | | | | | | | | | | | |
| Refinery production | 352 | 372 | 400 | 368 | 365 | 359 | ------- | ------- | ------- | ------- | ------- | ------- |
| Receipts: | | | | | | | | | | | | |
| District II: Pipeline | ------- | 1 | ------- | ------- | ------- | ------- | ------- | ------- | ------- | ------- | ------- | ------- |
| District III: | | | | | | | | | | | | |
| Pipeline | 434 | 465 | 396 | 301 | 315 | 338 | ------- | ------- | ------- | ------- | ------- | ------- |
| Tanker | 462 | 443 | 429 | 368 | 293 | 237 | ------- | ------- | ------- | ------- | ------- | ------- |
| Barge | 3 | 5 | 4 | 2 | 4 | 3 | ------- | ------- | ------- | ------- | ------- | ------- |
| District V: Tanker | 3 | 2 | ------- | ------- | ------- | ------- | ------- | ------- | ------- | ------- | ------- | ------- |
| Total receipts | 902 | 916 | 829 | 671 | 612 | 578 | ------- | ------- | ------- | ------- | ------- | ------- |
| Imports | 33 | 20 | 83 | 44 | 41 | 40 | ------- | ------- | ------- | ------- | ------- | ------- |
| Total supply | 1,287 | 1,317 | 1,312 | 1,083 | 1,018 | 977 | ------- | ------- | ------- | ------- | ------- | ------- |
| Stock change | −289 | −489 | −386 | +78 | +18 | +194 | ------- | ------- | ------- | ------- | ------- | ------- |
| Total demand | 1,576 | 1,806 | 1,698 | 1,010 | 1,000 | 783 | ------- | ------- | ------- | ------- | ------- | ------- |
| Shipped to district II | 19 | 20 | 16 | 14 | 13 | 18 | ------- | ------- | ------- | ------- | ------- | ------- |
| Local demand | 1,557 | 1,786 | 1,682 | 996 | 987 | 765 | ------- | ------- | ------- | ------- | ------- | ------- |
| Stocks end of month (thousands of barrels) | 54,886 | 41,183 | 29,221 | 31,418 | 31,966 | 37,798 | ------- | ------- | ------- | ------- | ------- | ------- |

TABLE IV.—SHIPMENTS OF DISTILLATE FUEL OILS—DISTRICT I

[In thousands of barrels per day]

| | 1966 | 1965 | 1964 | 1963 | 1962 | 1961 |
|---|---|---|---|---|---|---|
| Heating | 834 | 848 | 789 | 821 | 814 | 762 |
| Industrial | 53 | 52 | 33 | 39 | 36 | 32 |
| Oil company | 6 | 7 | 7 | 6 | 5 | 5 |
| Utilities | 4 | 4 | 4 | 4 | 5 | 4 |
| Railroads | 64 | 61 | 61 | 60 | 58 | 60 |
| Vessels | 12 | 11 | 14 | 13 | 16 | 16 |
| Military | 20 | 16 | 17 | 16 | 15 | 16 |
| Diesel, highway | 83 | 71 | 66 | 57 | 39 | 33 |
| Diesel, other | 24 | 23 | 17 | 20 | 21 | 18 |
| Miscellaneous | 33 | 25 | 12 | 12 | 11 | 9 |
| District I | 1,133 | 1,118 | 1,020 | 1,048 | 1,020 | 955 |

TABLE V.—SALES OF DISTILLATE FUEL OIL BY STATES AND USES, 1966—DISTRICT I

[In barrels per day]

| | Heating | Industrial | Oil companies | Utilities | Railroads | Vessels | Military | Diesel | | Miscellaneous | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Highway | Other | | |
| Connecticut | 47,690 | 2,208 | 88 | 71 | 1,249 | 96 | 515 | 2,830 | 926 | 238 | 55,911 |
| Maine | 19,581 | 559 | 66 | 307 | 696 | 132 | 2,063 | 729 | 468 | 162 | 24,763 |
| Massachusetts | 126,707 | 3,627 | 96 | 907 | 1,693 | 1,274 | 1,414 | 3,022 | 715 | 989 | 140,444 |
| New Hampshire | 15,230 | 189 | ------- | ------- | 27 | ------- | 8 | 901 | 197 | 85 | 16,637 |
| Rhode Island | 15,937 | 332 | 19 | 99 | 74 | 101 | 685 | 501 | 255 | 153 | 18,156 |
| Vermont | 11,847 | 564 | 14 | 14 | 159 | 16 | 5 | 353 | 151 | 96 | 13,219 |
| New England | 236,992 | 7,479 | 283 | 1,398 | 3,898 | 1,619 | 4,690 | 8,336 | 2,712 | 1,723 | 269,130 |
| New York | 236,595 | 11,548 | 690 | 433 | 10,784 | 2,795 | 2,756 | 10,378 | 2,255 | 3,485 | 281,719 |
| New Jersey | 122,901 | 5,036 | 258 | 101 | 4,688 | 2,641 | 2,874 | 12,784 | 1,740 | 3,479 | 156,502 |
| Pennsylvania | 100,673 | 8,644 | 3,934 | 219 | 12,025 | 515 | 1,192 | 12,871 | 3,186 | 6,058 | 149,317 |
| Middle Atlantic | 460,169 | 25,228 | 4,882 | 753 | 27,497 | 5,951 | 6,822 | 36,033 | 7,181 | 13,022 | 587,538 |
| Delaware | 7,211 | 422 | 19 | 142 | 184 | 74 | 99 | 441 | 312 | 359 | 9,263 |
| District of Columbia | 6,452 | 14 | 14 | 233 | 211 | ------- | 795 | 1,145 | 181 | 515 | 9,560 |
| Florida | 11,751 | 5,425 | 184 | 1,071 | 6,630 | 1,614 | 1,266 | 4,690 | 2,868 | 3,348 | 38,847 |
| Georgia | 4,345 | 4,156 | 58 | ------- | 5,625 | 192 | 756 | 6,551 | 3,258 | 2,619 | 27,560 |
| Missouri | 31,556 | 1,721 | 214 | 353 | 4,677 | 584 | 1,488 | 4,740 | 1,877 | 2,151 | 49,361 |
| North Carolina | 31,934 | 3,400 | 178 | 58 | 6,049 | 208 | 1,279 | 6,162 | 1,984 | 5,923 | 57,175 |
| South Carolina | 10,268 | 1,299 | 63 | ------- | 1,277 | 96 | 918 | 2,153 | 915 | 932 | 17,921 |
| Virginia | 31,022 | 2,989 | 104 | 137 | 6,734 | 863 | 2,110 | 10,447 | 2,027 | 1,934 | 58,367 |
| West Virginia | 2,222 | 1,055 | 38 | ------- | 1,134 | 1,249 | 16 | 2,137 | 671 | 181 | 8,703 |
| South Atlantic | 136,761 | 20,481 | 872 | 1,994 | 32,521 | 4,880 | 8,727 | 38,466 | 14,093 | 17,962 | 276,757 |
| Total, district I | 833,922 | 53,188 | 6,037 | 4,145 | 63,916 | 12,450 | 20,239 | 82,835 | 23,986 | 32,707 | 1,133,425 |
| United States | 1,295,282 | 129,063 | 28,726 | 9,896 | 244,121 | 45,595 | 44,666 | 223,332 | 148,658 | 49,055 | 2,218,394 |

TABLE VI.—PRICES FOR DISTILLATE FUEL OIL—GULF COAST AND NEW YORK

[In cents per gallon]

| | Gulf coast cargoes | New York cargoes | New York terminals | Retail |
|---|---|---|---|---|
| 1957 | 9.99 | (1) | 11.30 | (1) |
| 1958 | 9.12 | (1) | 9.84 | 14.60 |
| 1959 | 9.24 | (1) | 10.15 | (1) |
| 1960 | 8.61 | 8.86 | 9.54 | 14.83 |
| 1961 | 9.17 | 9.58 | 10.39 | 15.71 |
| 1962 | 8.61 | 9.01 | 10.13 | 15.39 |
| 1963 | 8.76 | 9.13 | 9.80 | 15.97 |
| 1964 | 8.13 | 8.68 | 9.22 | 15.52 |
| 1965 | 8.57 | 9.07 | 9.52 | 15.88 |
| 1966 | 8.74 | 9.51 | 9.99 | 16.32 |
| 1965 | | | | |
| January | 8.61 | 9.13 | 9.65 | 15.92 |
| February | 8.63 | 9.13 | 9.65 | 15.92 |
| March | 8.56 | 9.04 | 9.55 | 15.92 |
| April | 8.50 | 8.83 | 9.20 | 15.90 |
| May | 8.50 | 8.83 | 9.20 | 15.90 |
| June | 8.50 | 8.83 | 9.20 | 15.47 |
| July | 8.50 | 8.83 | 9.20 | 15.56 |
| August | 8.60 | 8.96 | 9.45 | 15.67 |
| September | 8.63 | 9.08 | 9.46 | 15.67 |
| October | 8.63 | 9.33 | 9.80 | 16.08 |
| November | 8.63 | 9.33 | 9.80 | 16.19 |
| December | 8.63 | 9.57 | 10.12 | 16.39 |
| 1966 | | | | |
| January | 8.64 | 9.63 | 10.20 | 16.48 |
| February | 8.75 | 9.63 | 10.20 | 16.48 |
| March | 8.75 | 9.63 | 10.20 | 16.46 |
| April | 8.68 | 9.35 | 9.74 | 16.46 |
| May | 8.53 | 9.33 | 9.70 | 16.41 |
| June | 8.50 | 9.33 | 9.70 | 16.02 |
| July | 8.50 | 9.33 | 9.70 | 16.02 |
| August | 8.59 | 9.42 | 9.74 | 16.02 |
| September | 8.85 | 9.58 | 10.00 | 16.01 |
| October | 9.00 | 9.58 | 10.00 | 16.30 |
| November | 9.00 | 9.58 | 10.29 | 16.41 |
| December | 9.00 | 9.75 | 10.35 | 16.76 |
| 1967 | | | | |
| January | 9.17 | ---------- | 10.50 | 16.76 |
| February | 9.53 | ---------- | 10.50 | 16.86 |
| March | 9.63 | ---------- | 10.50 | 16.86 |
| April | 9.63 | ---------- | 10.50 | 16.86 |
| May | 9.63 | ---------- | 10.50 | 16.85 |
| June | 9.63 | ---------- | 10.50 | 16.85 |
| July | 9.63 | ---------- | 10.73 | 16.87 |
| August | 9.68 | ---------- | 10.80 | 16.90 |
| September | 9.68 | ---------- | 10.80 | 16.93 |
| October | 9.68 | ---------- | 10.80 | ---------- |

[1] Not available.

TABLE VII.—PRICES FOR DISTILLATE FUEL OIL—GULF COAST AND BOSTON

[In cents per gallon]

| | Gulf coast cargoes | Boston cargoes | Boston terminals | Retail |
|---|---|---|---|---|
| 1957 | 9.99 | (1) | 11.41 | (1) |
| 1958 | 9.12 | (1) | 9.94 | 14.40 |
| 1959 | 9.24 | (1) | 10.11 | (1) |
| 1960 | 8.61 | 8.96 | 9.43 | 14.74 |
| 1961 | 9.17 | 9.68 | 10.26 | 15.94 |
| 1962 | 8.61 | 9.11 | 10.12 | 15.38 |
| 1963 | 8.76 | 9.25 | 9.74 | 15.90 |
| 1964 | 8.13 | 8.78 | 9.32 | 15.77 |
| 1965 | 8.57 | 9.17 | 9.65 | 16.19 |
| 1966 | 8.74 | 9.61 | 10.13 | 16.91 |
| 1965 | | | | |
| January | 8.61 | 9.23 | 9.90 | 16.28 |
| February | 8.63 | 9.23 | 9.90 | 16.28 |
| March | 8.56 | 9.14 | 9.73 | 15.96 |
| April | 8.50 | 8.93 | 9.30 | 15.90 |
| May | 8.50 | 8.93 | 9.30 | 15.90 |
| June | 8.50 | 8.93 | 9.30 | 15.90 |
| July | 8.50 | 8.93 | 9.30 | 15.90 |
| August | 8.60 | 9.06 | 9.44 | 15.90 |
| September | 8.63 | 9.18 | 9.56 | 15.90 |
| October | 8.63 | 9.43 | 9.90 | 16.65 |
| November | 8.63 | 9.43 | 9.90 | 16.78 |
| December | 8.63 | 9.67 | 10.22 | 16.90 |
| 1966 | | | | |
| January | 8.64 | 9.73 | 10.30 | 16.90 |
| February | 8.75 | 9.73 | 10.30 | 16.90 |
| March | 8.75 | 9.73 | 10.30 | 16.90 |
| April | 8.68 | 9.45 | 9.93 | 16.90 |
| May | 8.53 | 9.43 | 9.90 | 16.90 |
| June | 8.50 | 9.43 | 9.90 | 16.84 |
| July | 8.50 | 9.43 | 9.90 | 16.84 |
| August | 8.59 | 9.52 | 9.98 | 16.84 |
| September | 8.85 | 9.68 | 10.10 | 16.84 |
| October | 9.00 | 9.68 | 10.10 | 16.84 |
| November | 9.00 | 9.68 | 10.39 | 16.90 |
| December | 9.10 | 9.85 | 10.45 | 17.35 |
| 1967 | | | | |
| January | 9.17 | ---------- | 10.63 | 17.35 |
| February | 9.53 | ---------- | 10.63 | 17.43 |
| March | 9.63 | ---------- | 10.63 | 17.50 |
| April | 9.63 | ---------- | 10.63 | 17.50 |
| May | 9.63 | ---------- | 10.63 | 17.50 |
| June | 9.63 | ---------- | 10.63 | 17.07 |
| July | 9.63 | ---------- | 10.94 | 17.27 |
| August | 9.68 | ---------- | 11.00 | 17.41 |
| September | 9.68 | ---------- | 11.00 | 17.56 |
| October | 9.68 | ---------- | 11.00 | ---------- |

[1] Not available.

TABLE VIII.—STOCKS OF DISTILLATE FUEL OIL

[In thousands of barrels]

| | District I | District II | District III | District IV | Districts I to IV | District V | United States |
|---|---|---|---|---|---|---|---|
| Dec. 31, 1966 | 63,834 | 43,963 | 29,806 | 3,174 | 140,777 | 13,319 | 154,096 |
| Dec. 31, 1965 | 63,413 | 44,572 | 29,078 | 2,906 | 139,969 | 15,438 | 155,407 |
| Difference | +421 | −609 | +728 | +268 | +808 | −2,119 | −1,311 |
| Jan. 31, 1967 | 54,886 | 37,401 | 23,307 | 2,906 | 118,500 | 12,778 | 131,278 |
| Jan. 31, 1966 | 53,674 | 36,083 | 23,194 | 2,779 | 115,730 | 14,311 | 130,041 |
| Difference | +1,212 | +1,318 | +113 | +127 | +2,770 | −1,533 | +1,237 |
| Feb. 28 | 41,183 | 30,666 | 18,158 | 2,652 | 92,659 | 12,017 | 104,676 |
| Feb. 28, 1966 | 40,535 | 30,868 | 16,580 | 2,490 | 90,473 | 13,569 | 104,042 |
| Difference | +648 | −202 | +1,578 | +162 | +2,186 | −1,552 | +634 |
| Mar. 31, 1967 | 29,221 | 27,163 | 17,491 | 2,670 | 76,545 | 10,504 | 87,049 |
| Mar. 31, 1966 | 32,956 | 29,510 | 15,906 | 2,473 | 80,845 | 11,916 | 92,761 |
| Difference | −3,735 | −2,347 | +1,585 | +197 | −4,300 | −1,412 | −5,712 |
| Apr. 30, 1967 | 31,418 | 28,873 | 18,491 | 2,443 | 81,225 | 11,572 | 92,797 |
| Apr. 30, 1966 | 29,585 | 28,666 | 19,042 | 2,407 | 79,700 | 11,304 | 91,004 |
| Difference | −1,833 | −207 | −551 | +36 | +1,525 | +268 | +1,793 |
| May 31, 1967 | 31,966 | 29,319 | 21,497 | 2,553 | 85,335 | 11,023 | 96,358 |
| May 31, 1966 | 34,644 | 31,352 | 21,546 | 2,493 | 90,035 | 12,478 | 102,513 |
| Difference | −2,678 | −2,033 | −49 | +60 | −4,700 | −1,455 | −6,155 |
| June 30, 1967 | 37,798 | 34,564 | 25,789 | 2,641 | 100,792 | 12,256 | 113,048 |
| June 30, 1966 | 42,322 | 36,850 | 22,545 | 2,762 | 104,479 | 13,175 | 117,654 |
| Difference | −4,524 | −2,286 | +3,244 | −121 | −3,687 | −919 | −4,606 |
| July 28, 1967 | 46,970 | 41,104 | 27,761 | 2,994 | 118,829 | 12,773 | 131,602 |
| July 29, 1966 | 51,975 | 42,836 | 27,491 | 3,055 | 125,357 | 14,056 | 139,413 |
| Difference | −5,005 | −1,732 | +270 | −61 | −6,528 | −1,283 | −7,811 |
| Sept. 1, 1967 | 60,552 | 47,969 | 28,919 | 3,228 | 140,668 | 13,251 | 153,919 |
| Sept. 2, 1966 | 63,749 | 48,917 | 30,584 | 3,352 | 146,602 | 14,373 | 160,975 |
| Difference | −3,197 | −948 | −1,665 | −124 | −5,934 | −1,122 | −7,056 |
| Sept. 29, 1967 | 70,238 | 52,616 | 31,537 | 3,319 | 157,710 | 13,426 | 171,136 |
| Sept. 30, 1966 | 74,729 | 53,043 | 32,350 | 3,543 | 163,665 | 14,227 | 177,892 |
| Difference | −4,491 | −427 | −813 | −224 | −5,955 | −801 | −6,756 |
| Oct. 27, 1967 | 78,409 | 54,737 | 32,179 | 2,783 | 168,108 | 13,307 | 181,415 |
| Oct. 28, 1966 | 77,739 | 55,210 | 34,180 | 3,420 | 170,549 | 13,261 | 183,810 |
| Difference | +670 | −473 | −2,001 | −337 | −2,441 | +46 | −2,395 |

Source: Bureau of Mines through June, API Weekly data thereafter.

NOVEMBER 15, 1967.

Hon. GEORGE A. SMATHERS,
*Chairman, Select Committee on Small Business, Old Senate Office Building, Washington, D.C.*

DEAR GEORGE: As you may know, during recent weeks the question has arisen regarding the possible shortage and the rising cost this winter of Number 2 fuel oil on the East Coast.

This fuel oil is consumed as heating fuel by millions of consumers on the East Coast and should a shortage develop this winter, it could cause severe hardship for a great number of consumers in this area. Inasmuch as a difference of opinion has arisen between the Department of Interior and some distributors of this fuel oil on the one hand and a number of major distributors on the other hand regarding present and future supplies of this fuel, I believe an immediate investigation should be undertaken by the Small Business Committee.

Among the factors that should be considered are the current and prospective price situation, the adequacy of stocks and tankers, the relationship of imports to the domestic production, current and prospective refinery production of Number 2 fuel oil, the future availability of this fuel from domestic sources, and the Interior Department's import control program for this fuel. I am certain that the interested parties concerned—the domestic refineries, distributors, the Interior Department—could be counted upon to cooperate in such hearings.

In view of the urgency of this matter I would appreciate hearing from you on this at the earliest opportunity.

With best regards,
Sincerely,

JACOB K. JAVITS.

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U.S. SENATE,
SELECT COMMITTEE ON SMALL BUSINESS,
*Washington, D.C., November 21, 1967.*

Hon. JACOB K. JAVITS,
*U.S. Senate,*
*Washington, D.C.*

DEAR JACK: This will acknowledge your letter of November 15, concerning the situation on the East Coast relating to Number 2 fuel oil.

I can understand the feeling of urgency in this matter, particularly since the weather is getting colder and the heart of the heating season is rapidly approaching.

In an effort to be of assistance, I am asking the Secretary of the Interior to advise me, with all possible promptness, as to the current and future status of Number 2 oil supplies on the East Coast and their view of the impact of these trends on smaller businesses.

As soon as the Secretary's report reaches me, I will be in touch with you in order to determine what further steps appear to be desirable.

For the present, with best wishes,
Sincerely yours,

GEORGE A. SMATHERS,
*Chairman.*

The PRESIDING OFFICER. Is there further morning business?

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Is there further morning business?

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## BENEFICIARIES OF GENERIC PRESCRIPTIONS ARE NOT SECOND-CLASS CITIZENS

Mr. HART. Mr. President, as I listened to the heated debate, on November 22 on the amendment offered to the social security bill by the able majority whip, the Senator from Louisiana [Mr. LONG], to provide for the purchase of welfare program prescription drugs on a generic name basis, I had the impression I was watching the remake of a 6-year-old movie.

The dialog had not changed—only the actors were different.

It has been more than 6 years now since the 1961 drug industry investigation by the Senate Antitrust and Monopoly Subcommittee showed conclusively that generic drugs are as safe as brand name drugs.

The only difference then, and the only difference now, is the price.

I had assumed the generic-brand name controversy was resolved with the conclusion of the 1961 antitrust hearings and the 1962 Drug Act.

However, it seems that we need to rehash the evidence produced during those 1961 hearings to prove, hopefully once and for all, that generics are safe, reliable, and considerably less expensive than brand names.

I was astounded to hear one Senator say Senator LONG's amendment would mean "second-class drugs for first-class citizens."

Mr. President, the facts in the issue are clear.

Generic name drugs are used at all of the Veterans' Administration hospitals; generic name drugs are purchased by the Defense Supply Agency; the 45,000-member American Pharmaceutical Association recently threw its support behind the use of generic prescriptions in Government-supported programs.

Most telling, though, is the fact that those opposing the use of generic names have not produced proof that brand-name drugs are any safer or more reliable than generics.

For long years now, the law in some localities and the practice in others has insured that people on welfare be furnished drugs prescribed by generic terminology.

Also, for an even longer period of time, generic prescriptions have been used at all U.S. military hospitals. When anyone goes to one of these institutions—whether he is the President of the United States or a Member of Congress or a wounded soldier—he will be treated with generic-name drugs.

However, when we try to broaden the practice by providing for purchase of social security program prescription drugs on a generic-name basis, we are accused of "using second-class drugs on first-class citizens."

Either generic prescriptions are safe for everyone, rich and poor, young and old alike, or they are good for no one. Evidence has proved they are good for everyone.

I had hoped it would not be necessary to rehash the results of the 1961 antitrust investigation. But, in the light of some of the arguments presented in this chamber, I feel an obligation to present again evidence that generics are reliable as brand names.

In 1961, the antitrust subcommittee heard testimony from Mr. O. K. Grettenberger, then director of drugs and drugstores for the State of Michigan.

Mr. Grettenberger, basing his testimony on 11 years experience as director of drugs in Michigan, said at that time:

> In the many samples taken for analytical findings, I have found no supposedly small company representing their labels to be anything other than what was stated thereon.

He continued:

> I am afraid that the pharmaceutical industry has overly frightened the pharmacists by implying that everything that is not a brand name is of a poor quality.

Another witness at the hearings was Dr. Walter Modell, professor of pharmacology and therapeutics at Cornell Medical University in New York City. He testified that he uses nonproprietary or generic names for drugs in teaching.

The generic name is a concise description of the drug's chemical formula.

Dr. Modell said:

> Only when a name conveys meaning does it lend itself to instructive communication . . . as a general rule, only by using them (generic names) can one communicate meaningfully about drugs and instruct students on the nature of the drugs and their effects on the human body.

He continued:

> The same problem in nomenclature thus also relates to the practice of medicine. If a physician wants to know at all times what he is prescribing, he will, perforce, use only nonproprietary names.

Dr. Modell also said it is impossible, even for the expert, to know all the brand names which have been created for the same drug.

> It is possible in a discussion between two specialists in the same field for neither to know that each is talking about the same drug—

He said.

Another telling point from the 1961 antitrust hearing was the fact that both small and large drug houses, those using generic names and those using brand names, purchase, to a considerable extent, their drugs from the same drug sources.

Testimony showed that more than half of the leading drug companies actually produce, at most, one out of three of the products they sell.

The remainder are bought for the most part from other large companies which also sell the same product by its generic name.

Thus, Mr. President, there can be no doubt that we have the same drug made by one company and sold under different names for different prices.

The consumer is paying for a name.

Let me cite a few examples of the difference a name can make in the drug in-

dustry. These examples were given during the 1961 hearings.

A common sedative like reserpine, for example, is sold under the generic name and also under various brand names like Serpasil by the CIBA Pharmaceutical Co.; Sandril by Eli Lilly & Co. and Rau-Sed by Squibb.

A druggist can buy reserpine generically for as little as 75 cents a thousand tablets. But, the same drug under the brand name Serpasil costs the druggist $39.50 a thousand.

Triple sulfate tablets are sold wholesale generically for as little as a penny each. When sold under brand names, these same tablets cost as much as 10 cents each.

Why has this two-price system continued?

One reason can be found in the 1961 and 1967 arguments of officials for large pharmaceutical companies. Those spokesmen cite research costs and quality control measures for the price differential.

They also claim generic producers do not subject their drugs to the rigid clinical tests of brand names, and therefore are not as reliable.

Perhaps these brand name spokesmen had a wobbly leg to stand on in 1961, before the passage of the more stringent 1962 Drug Act. However, since 1962, the props have been knocked out under the position of those people. Yet they persist with the same arguments.

The Food and Drug Administration, under the 1962 Drug Act, is empowered to inspect all drug plants and also is empowered to establish control over the manufacturing processes in them.

This amendment was added as a result of the 1961 antitrust hearings and makes even less persuasive the opposition to generics.

*The act also* requires all drug plants to be registered with the FDA and inspected at least once every 2 years.

Finally, on imported drugs, the FDA can either inspect the foreign plants, make batch tests on imports, or do both.

Is there perfection in the manufacture of drugs?

No. Human beings manufacture drugs, and there are mistakes made in the manufacture of both generic and brand name products.

However, a very recent analysis of prescription drugs from 1962 to 1965 shows that nearly half of the drugs recalled from pharmacies as substandard or improperly labeled involved products from the largest and best-known companies.

This analysis is contained in the "Handbook of Prescription Drugs," by Dr. Richard Burack of the Harvard Medical School.

Further evidence about generic drugs was presented in an editorial published in the September 22 Washington Post, which discusses a statement circulated among drug industry leaders. The statement asserts that the price differentials between generic and brand name products cannot be justified by costs or other considerations.

The statement was written by George S. Squibb, grandson of the founder of E. R. Squibb & Sons and a former vice president of the company.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Pricing Drugs," published in the Washington Post of September 22, 1967, and an editorial entitled "Defection of Squibb Co. Executive Marks Break in Drug Price Hassle," published in the Muskegon, Mich., Chronicle of October 16, 1967.

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

[From the Washington Post, Sept. 22, 1967]

PRICING DRUGS

The protracted debate over the pricing of brand-name drugs may be taking a new turn with the appearance of a paper by George S. Squibb entitled "Drug Prices—The Achilles Heel of the Pharmaceutical Industry." Critics have for long asserted that the price differentials between brand-name and generic drugs cannot be justified by costs or other considerations. But when the same charges are cogently leveled by the grandson of the founder of E. R. Squibb & Sons, one of the oldest and most respected names in the industry, they take on new force.

The wide differentials between the prices of brand-name and generic drugs are well illustrated by reserpine, a drug frequently prescribed for the control of high blood pressure. Consumers on the average pay 82 per cent more for the most popular brand name—"Serpasil"—than they do for the product sold under the generic name of reserpine. (Such differentials persist, not because drug industry executives are selfish, but because of the high cost of obtaining reliable information about substitutes for brand-name products. The busy prescribing physician may not be aware of the availability of generic name products at lower prices, and if he is aware of them, he may have doubts about the purity or the uniformity of their potency. So rather than incur the costs of a search for reliable information, he prescribes the higher priced, brand-name product.)

But as Mr. Squibb persuasively demonstrates, the price differentials between brand-names and generics, and the high returns on capital that consequently accrue to the brand-name manufacturers, cannot for long endure. (The trend is toward the greater participation of public and quasi-public institutions in the provision of medical services and the consequent reducton in the cost of obtaining reliable information about substitutes for brand-name drugs. Hospital purchasing agents make it their business to test generics for reliability and purchase them in huge quantities. And as that practice continues—smaller purchasers, such as group medical practitioners, will adopt similar practices.)

The other threat to existence of the price differentials is political. Congress is justifiably concerned about the rising costs of Medicare and other publicly financed health programs, and there is a move afoot to confine all Government purchases to generic names. Such a step, in our view, would be unfortunate. It is true, as Mr. Squibb asserts, that the higher prices for brand-name drugs cannot be justified by the extra costs of advertising, distribution and scientific research. But confining Government purchases to generics alone could well undermine the urge to innovate, on which progress in the drug industry rests.

An alternative to a system of bureaucratic controls is more vigorous price competition. The brand-name manufacturers, rather than attempting to ignore competition from the generics, should attempt to meet it with timely price reductions. In the process the price differentials will not entirely disappear—and they should not. But with narrower differentials and profit rates that provide a more reasonable compensation for superior quality and research initiative the drug industry would cease to be a target for political attacks.

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[From the Muskegon (Mich.) Chronicle Editorial, Oct. 16, 1967]

DEFECTION OF SQUIBB CO. EXECUTIVE MARKS BREAK IN DRUG PRICE HASSLE

We have commented several times in the past on the growing accumulation of evidence that prescription drugs are consistently overpriced by the pharmaceutical industry.

The Senate Monopoly subcommittee, of which Michigan Sen. Philip A. Hart is a member, has held a number of productive hearings aimed at answering a central question: Why should the public pay more for a brand-name drug when the identical compound can be bought more cheaply under its basic chemical, or generic, name?

The question of why identical drugs should sell for sharply divergent prices was first raised several years ago by the Kefauver Committee, which reported it felt the level of drug prices could be cut sharply if physicians used generic names in writing their prescriptions.

The drug industry with the backing of many physicians has been very vocal in opposition, contending that the generally higher-priced brand name drugs are more reliable, and that the smaller drug firms can't match the major companies in terms of research, equipment and quality control, and hence often turn out an inferior product.

Dr. Richard Burack, of the Harvard Medical School, a specialist in internal medicine and pharmacology, says that these contentions are generally without merit, adding that "there is no good reason to believe that brand name drugs are necessarily more reliable than generics as to quality, purity and potency."

In his recently published Handbook of Prescription Drugs he reported that nearly half the drugs recalled from pharmacies between 1962 and 1965 as substandard or improperly labeled involved products of the largest and best-known drug companies. His study was well documented.

As an example of the price divergencies he noted, widely prescribed Penicillin G is sold to druggists by one major company at a price of $6.62 per 100, while the same drug, meeting the identical U.S. government standards of purity and potency, is available from one much smaller firm for 92 cents, and from 15 other companies for less than $2.

The drug industry has not been successful in refuting the impressive evidence of overpricing, and it is encouraging to note that some of the charges made by Senate subcommittee witnesses have been supported, in effect, by an executive of a major drug company.

George S. Squibb, former vice president for the E. R. Squibb & Sons drug firm, recently distributed among industry leaders a 30-page statement in which he warned that high drug prices "cannot be justified satisfactorily."

He flatly rejected the industry's pet argument that research expenses are the cause of high prices (as we noted in an earlier editorial, the brand-name firms spend many times the total of their research outlay on product advertising), and called upon drug makers to reduce their prices and profits voluntarily or face the prospect of government legislation.

Mr. Squibb's candor in repudiating the industry's stand, and in labeling its propaganda line as false, is both courageous and commendable. We believe there is a very real prospect of consumer protection legislation in this field, and the pharmaceu-

tical industry would be well-advised to heed his advice.

Mr. HART. Mr. President, it is clear that the generic-brand name controversy should have been settled 6 years ago when we in the Antitrust Subcommittee studied the issue in great detail.

The brand name arguments did not hold any water then, and they do not hold any water now.

Generic drugs are just as good as those with brand names—the only difference is the price. That is why I have urged, and continue to urge, my constituents to ask their physicians to prescribe generically whenever possible.

## TULSA A MODEL CITY

Mr. HARRIS. Mr. President, Tulsa is proud and happy to have been named a model city. Typical of the very sincere, very rational enthusiasm which greeted the announcement are the editorial comments of the Tulsa Daily World and the Tulsa Tribune. Both of these fine newspapers express the desire of the community that the model cities grant will help make Tulsa a better home for her citizens.

I ask unanimous consent to have printed in the RECORD an editorial entitled "Tulsa a Model City," published in the Tulsa, Okla., Daily World of November 18, 1967, and an editorial entitled "Two Cheers," published in the Tulsa Tribune of November 17, 1967.

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

[From the Tulsa Daily World, Nov. 18, 1967]

TULSA A MODEL CITY

Tulsa's selection as one of the 63 American cities to receive "Model City" planning grants sets up a splendid opportunity to renovate and revitalize a large and deteriorating area of the Northside.

We consider Tulsa fortunate indeed to be among those selected. But good fortune carries only so far.

What we accomplish, and how long we remain qualified for Model City preferential aid, is dependent almost entirely upon how competent we are to plan and develop wisely. As the only Oklahoma municipality to qualify under the $300 million program, we are under intense pressure to make it work.

In general, the application of the Model City concept will be centered in an area bounded by the Osage County Line, on the West, Yale Avenue, on the East, Third Street in the downtown area, on the South, and Apache Avenue and 36th Street North, on the North.

Tulsa's problem is to evolve a plan, out of a $119,000 grant to be forthcoming, that will revitalize the area in a pattern having no association with the War on Poverty or other welfare programs. The Model City program has been described as one intended to deal with *physical* improvements—renovation, recreation and the general revitalization of entire commercial and residential areas.

It is our thought that in approaching the task, Tulsa's planners should evolve a program best designed to improve economic and living conditions for the 40,000 residents living in the area. This would mean avoiding so-called "frills" that provide little in the way of economic uplift.

As one City Commissioner has commented, "we've got to hit the nail on the head." The implication that the program, already having been described as a "boondoggle" by its opponents, will succeed if the funds provided for it are utilized in practical and meaningful fashion.

U.S. Sen. MIKE MONRONEY, who performed yeoman effort for Tulsa's Model City Plan emphasizes this point:

*"Tulsans have a go go go spirit that is making their community one of the fastest growing and most livable in the nation. Here is a program designed to fit Tulsa's aims. The opportunity should be seized upon."*

So it should.

[From the Tulsa Tribune, Nov. 17, 1967]

TWO CHEERS

We offer two hearty cheers on the news that Tulsa has been chosen by Uncle Sam to become one of 63 "model cities."

This is good news. It reflects great credit on the scores of Tulsa citizens who helped prepare Tulsa's application. And it means that Tulsa now has a great opportunity to tackle comprehensively the problems on the northside of this city—and to do so before they grow to the dimensions that have choked the larger cities of the U.S.

We reserve the third cheer, for a couple of reasons:

First, it should be plainly understood that the award announced yesterday is simply a "planning grant." The bulldozers are not going to move in tomorrow. As a matter of fact, making a model city is not so much a matter of bulldozers as of building the quality of life. That implies the whole range of social, educational, health and rehabilitational effort, of which new bricks and mortar represent only a part. The effort will come progressively, as Congress finds the money.

Second, we reserve the third cheer to see how this effort works out. The model cities program has vast potential not only for good but also for great bureaucratic confusion and blighted hope.

If this program is to prove its worth in Tulsa, the coordinated efforts of a great many people from all parts of the city will be needed. We hope that effort is forthcoming, because it is vital.

## OKLAHOMA TRADES COUNCIL SEEKS TO ENLIST DISADVANTAGED YOUTH IN APPRENTICE PROGRAMS

Mr. HARRIS. Mr. President, recently I learned that the Southwestern Oklahoma Building & Construction Trades Council of the AFL–CIO has entered into a contract with the U.S. Department of Labor to actively seek out minority youth and assist them toward admission to apprentice programs in Oklahoma. I congratulate the council and L. P. Williams, business manager, for this very progressive and greatly needed undertaking. I am pleased that J. J. Caldwell, former secretary of the Oklahoma State AFL–CIO, and Cecil Williams, State director of NAACP, will be director and codirector of the project. Their dedication and insights will, I am confident, make this a successful program.

Believing that other Members of the Senate will want to know of this outstanding project, Mr. President, I ask unanimous consent that a copy of a press release dated November 16, 1967, outlining the details of the contract, be printed in the RECORD at this point.

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

[Press release]

OKLAHOMA CITY, November 16, 1967.—Southwestern Oklahoma Building and Construction Trades Council of the AFL–CIO today signed a contract with the Federal Department of Labor (Bureau of Apprentice Training) to actively seek out qualified minority youth and assist them towards admittance to apprentice programs in Oklahoma. This contract signing at a special meeting of the advisory council of the Apprentice Information for Disadvantaged Youth (AID) climaxes four months of work by the Southwestern Trades Council headed by L. P. Williams. The contract will be for one year and will amount to more than $41,000. The Southwestern Trades Council represents 52 trade unions in the southwestern part of Oklahoma covering 55 counties.

The program will give aid to those young men who have fulfilled certain basic educational requirements, high school or equivalent, who have been unable to find satisfactory employment in the building trades industry. The youths will be instructed in job dustry. The youths will be instructed in job application, dress, attitude and indoctrination in fundamentals of apprenticeship training on the job.

The director of the AID project is Jess Caldwell, former secretary of Oklahoma State AFL–CIO with Cecil Williams, state director of the NAACP serving as co-director.

The Equal Employment Opportunity Commission has been very active in the preparation of the project, giving excellent co-operation in all phases of development. They have done everything possible to bring about the establishment of the program in Oklahoma City.

The project will help to develop apprenticeship job openings within the construction industry and will promote the employment of more apprentices. The Council will recruit and offer support to minority youths so they may fill the apprenticeship openings.

During the past year all apprenticeship programs have been revised and their standards brought in accord with the new nondiscrimination laws established nationally. Qualified minorities who have applied and have been accepted into current programs show that many barriers have been hurdled to the minority individual. However, current figures indicate that not enough minority individuals are seeking entry into apprentice programs and they are not able to take advantage of the new opportunities. This project will actively search for qualified applicants for the various building and construction trades apprentice programs.

In addition to seeking out the individuals, the program will aid and assist those selected individuals in staying in the apprenticeship programs once they are selected.

The AID Council is made up of a broad cross-section of community leaders, representing minority groups, employers, unions, schools and joint apprenticeship committees and government.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

## FRANCIS CARDINAL SPELLMAN

Mr. DODD. Mr. President, the death of Francis Cardinal Spellman has saddened the world.

The passing of this great priest of God weighs heavily upon us and leaves us with a sense of real loss.

Cardinal Spellman fought vigorously

for the many causes in which he believed, and believed fervently.

He was a determined man, a man of the highest ideals, but perhaps to an even greater degree, he was a man of generosity and of charity.

He was a great shepherd of the Archdiocese of New York. In his almost 30 years at the helm of this archdiocese he raised it out of its debt-ridden condition and developed it into the splendid and flourishing archdiocese that it is today.

Cardinal Spellman was a man of international standing whose advice was carefully regarded and whose character and ability were respected by political and spiritual leaders the world over.

It will be difficult for any of us to forget his many Christmas trips to visit our fighting men in Korea and more recently in Vietnam. It was characteristic of the Cardinal to ignore his own comfort and health and personal safety in order to be of service to others. The men he visited in these war-torn countries will surely never forget him.

He was a great Christian and a great American.

His memory will remain a source of inspiration for all of us.

Edwin Markham's description of the death of Abraham Lincoln seems particularly appropriate here.

And when he fell in whirlwind, he went down
As when a lordly cedar, green with boughs,
Goes down with a great shout upon the hills,
And leaves a lonesome place against the sky.

## DEVALUATION OF POUND NO BASIS FOR U.S. TAX HIKE

Mr. PROXMIRE. Mr. President, there has been some tendency by both the administration and some newspaper commentators to overreact to the British devaluation. This is not to say that the British devaluation should not have been a warning to us and have been the basis for deepening our concern about the soundness of the dollar.

But it was never a sound basis for deflating the American economy or even passing the President's tax increase.

The Milwaukee Journal, in a balanced and thoughtful editorial, recently put the devaluation problem and the tax increase proposal in about the right perspective.

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

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

### NO RUSH ON TAX BOOST

Congressional jitters caused by British devaluation and the gold rush abroad gave President Johnson a chance to revive his 10% surtax proposal—but only briefly. The house ways and means committee, after two days of hearings, buried the bill for this session.

For the good of the free world as well as the nation, warned administration spokesmen, a display of fiscal discipline was needed to defend the dollar against the weakening effect of inflation. They offered a compromise plan linking a tax increase with sweeping spending cuts—something tax holdouts in congress have demanded.

However, there was a tendency to overdramatize the crisis and oversell the cure.

Doubtless the dollar, linchpin of world trade, is under new strain. Because we have spent and lent more money abroad than we have earned, we have a chronic balance of payments deficit that nibbles at confidence in the dollar. The Vietnam war has resulted in an especially heavy outflow of dollars. Now a new surge of domestic inflation threatens to make our exports less competitive; this could worsen the deficit and further harm trust. However, it is vital to keep one point clear. The Yankee dollar, unlike the battered British pound, is backed by a fundamentally robust economy. We need to narrow our payments deficit, but to imply that we are close to stumbling over the devaluation cliff is nonsense.

As for the surtax, it is true that inflation must be controlled and that many economists think higher taxes and lower spending can maintain economic growth without excessive price increases. Yet, while the economic data seem to be favoring the president, there is a respectable body of opinion that fears a tax boost would either (1) stagnate the economy or (2) intensify inflation by driving up costs and, eventually, prices.

Thus, there was good reason to hold hearings in the house on the compromise tax plan and consider expert testimony. However, the international monetary crisis is not so acute and the domestic economic evidence is not so clear that swift action is imperative. There is still time to ponder.

## SENATOR MONDALE CONGRATULATES THE NATIONAL GRANGE ON ITS 100TH BIRTHDAY

Mr. MONDALE. Mr. President, 1967, marks the 100th anniversary of our Nation's oldest farm organization, the National Grange. I desire to express my personal good wishes and congratulations to all members of the Grange, in Minnesota and throughout the Nation, on this happy centennial occasion.

Organized during one of the most difficult and trying periods of American history, the Grange has distinguished itself over the years by encouraging self-reliance and self-discipline. Ever since its founding a century ago, the Grange has proposed and supported policies which have contributed a large measure of the progress we enjoy today in agricultural productivity and technology as well as in the quality of life in rural America.

Two factors, in my judgment, are responsible for the continued popularity of the organization and for its widespread influence. The first of these is the composition of the organization itself—predominantly family farm operators who have made and are making a strong, determined fight for the movement and the maintenance of family-sized farming enterprises. The second is the organization's emphasis on self-reliance.

The challenges facing our rural communities are as great today as they have been during the past 100 years. Rural America is undergoing a dramatic transformation. Its population, traditionally thought of as largely farm people, is now nearly four-fifths nonfarm. It is estimated that by 1980 only one rural resident in seven or eight may live on a farm.

Unless we can expand jobs along with other opportunities for good living in rural areas, the heavy exodus from the countryside in recent years will continue unabated. It is imperative that our Nation undertake the kind of planning that will provide opportunities for our citizens to become productive in whatever environment they may find themselves.

Now as in years past the Grange continues to strive for agricultural and rural programs which will make it possible for rural residents and farmers to share more fully and equitably in our overall national prosperity. The dedication of the Grange to the difficult task of building a better rural America during the last 100 years offers considerable assurance, I believe, that we may count in the future on the availability of the leadership which is required to deal effectively with deep-rooted problems.

## CHURCH STUDY FINDS STRIKES ESSENTIAL TO BARGAINING, JUSTICE

Mr. WILLIAMS of New Jersey. Mr. President, a panel of distinguished educators, clergymen, and mediators named by the National Council of Churches recently issued a report on a 2-year study of labor-management relations. This report reaffirms the right of workers to strike and questions both the justice and effectiveness of compulsory arbitration. As a member of the Subcommittee on Labor of the Committee on Labor and Public Welfare, I am extremely cognizant of the dangers of curtailing the right to strike and of compulsory arbitration. In fact, just this year we had a case in point involving the railway labor dispute. I opposed at that time, and still oppose, compulsory arbitration. The findings of this panel further substantiate and buttress my own conclusions.

Since there is widespread interest in these issues in both public and private debate, I ask unanimous consent that excerpts of the panel's report which were published in the AFL-CIO News be printed in the RECORD.

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

### DIGNITY AND EQUITY: CHURCH STUDY FINDS STRIKES ESSENTIAL TO BARGAINING, JUSTICE

(Excerpted from "The Right to Strike and the General Welfare," a study document prepared by a special committee appointed by the Committee on the Church and Economic Life, Division of Christian Life and Mission, National Council of Churches. The Study is not an official statement of attitudes or policies of the National Council of Churches)

Unless and until effective substitute measures for achieving justice and freedom are provided, the right to strike must be recognized as essential. Without the right to strike (or its effective equivalent), the worker is not equal in bargaining power, and collective bargaining becomes a sham where all the power is on the employer's side of the table.

Those who would curtail or eliminate the right to strike must first supply an adequate and effective substitute, an alternative which makes the parties essentially equal in bargaining power and which preserves and protects the freedom of the bargaining process.

The individual who is a slave has little or no influence over the conditions of his employment. He is deprived of the freedom to leave a job and seek other employment no matter how intolerable the conditions. One of the first rights a free society guarantees to its citizens is that of quitting a job and seeking other employment.

For certain individuals working within the

large organizations of an industrialized society this simple freedom to quit is sufficient. Highly trained persons such as engineers, technicians, managers, tool-and-die makers may be endowed by their skills with effective bargaining power over against their employers.

For most workers, however, the simple freedom to quit does not ordinarily provide effective bargaining power vis-à-vis the employer. The economic power in the hands of management is formidable: the power to pay wages and the power to cease paying wages by laying off or firing.

Only if workers have economic power of somewhat the same order of magnitude—namely the power collectively to withhold their labor from their employer and thus to bring his operation to a standstill—can management be compelled to listen seriously to its employes at the bargaining table.

Looked at in a somewhat different light, the right to strike is simply the right of any person entering into a contract to decline to sell until he has an agreeable contract with the buyer as to the terms under which he will sell. In a contract negotiation, the workers are acting collectively to seek a satisfactory agreement with management defining the terms under which they will sell their time and labor. Until a mutually satisfactory contract has been agreed upon the workers are under no obligation to contribute their labor, and have the right to uphold it.

It should further be noted that the right to strike has historically been one of the first casualties wherever totalitarian political regimes have come to power.

In sum, the right of collective bargaining, with its ultimate weapon of the strike, has proved to be a significant means of achieving social justice for workers. By placing in the hands of workers sufficient power to counterbalance the power of management, collective bargaining has made possible three basic achievements:

A measure of equity for workers in the economic benefits of production;

Enhancement of the freedom and dignity of workers through protection against arbitrary procedures and exploitation on the part of management;

The expansion of democracy into the economic order through giving workers a voice in some of the policies and decisions of the company, particularly those which most directly affect their lives.

Strikes can be the medium through which significant social advances are introduced into society. For example, a forty-day strike in the steel industry in 1949 resulted in an agreement which included a noncontributory pension plan for workers. Since that time such pension plans have been widely adopted throughout the economy and have proved to be of great value for the nation. They have provided increased security and dignity to countless older citizens, and have strengthened the entire economy by contributing to stable purchasing power.

A common public reaction is to lay the blame for every strike at the doorstep of the union, since it is the union that actually takes the decisive action calling a strike into being. But it should be kept in mind that for every union decision to strike there has been a prior management decision to say "No" to union demands. All too frequently the management decision is not reviewed as critically by the public as is the union decision to strike in assessing the blame for any particular work stoppage.

## MAYOR THEODORE McKELDIN: A GREAT MARYLANDER, A GREAT AMERICAN

Mr. TYDINGS. Mr. President, this week ends the career of one of Maryland's and America's truly great public servants. Theodore McKeldin, of Baltimore, twice mayor of Baltimore and twice Governor of the State of Maryland.

A confidant of Presidents, a dynamic and vigorous leader, fiercely devoted to the cause of individual freedom and the disadvantaged, Ted McKeldin's record as a Maryland public servant extends over nearly three decades. He four times achieved the nearly incredible feat of election to Maryland's top offices as a Republican in a State which is 3 to 1 Democratic.

I have considered it a pleasure and an honor to work with Mayor McKeldin for the city of Baltimore. The Baltimore Sun of Sunday, November 24, published an article about the mayor, entitled "He Sings at Breakfast," which describes some facets of the man and his career. I ask unanimous consent that it be printed in the RECORD.

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

HE SINGS AT BREAKFAST—OUTGOING MAYOR McKELDIN: AN ENIGMA IN A HOMBURG

(By James D. Dilts)

"Three thousand East Baltimore street, Brother Pulley," said the most popular Republican vote getter the State of Maryland has ever produced. "Baltimore and Potomah, Baltimore and PoTOmah," he said, savoring the pronunciation. Then the onetime boy orator from South Baltimore who rose to become Mayor in the Forties, Governor for two terms in the Fifties and Mayor again in the Sixties, dug down in his brief case and pulled out the day's schedule. And as he rode through the early-morning streets of the city on one of his last trips as Mayor, Theodore Roosevelt McKeldin began to read.

"Ten o'clock, the Board of Estimates. Twelve noon, present an honorary citizen's certificate. . . . I'm busier now than I ever was. Ask Pulley. On Saturday I addressed a convention of the blind. It's a difficult group to talk to, the blind. What do you say to the blind?" The Mayor leaned back in the seat and wondered aloud what you say to the blind.

" 'I was unhappy when I saw a man who had no shoes until I saw a man who had no feet'; he intoned, eyes raised. Abruptly they fell. "Would I see a man who had no feet? And would it make me happy? It seems to me it would depress me. That's the trouble with those cliches—they sound all right at first."

"He gave a great speech yesterday. The Five Nations. He was in real good shape. Ever since he got back from Vietnam he's been goin'," said James Pulley, the Mayor's chauffeur, after he drove up in the Cadillac limousine and parked in front of the Mayor's house at 7:30 A.M. "His honor's not up yet. I can tell," Pulley announced expertly as he made a survey of the front of the house.

*McKeldin is the third mayor Pulley has worked for in his sixteen years as a city chauffeur. "Don't put my name in," he said, "I like to stay in the background of politics. It used to be fun—I didn't think a job could be so easy—now it's work."*

*Except on mornings like this when the Mayor had an early appointment, Pulley leaves the Mayor's house at 103 Goodale road in Homeland between 8 and 8.30 to arrive at City Hall at 9. Occasionally the Mayor enlivens the trip with a speech. "Yeah, sometimes I hear 'em before anybody else does," said Pulley in a manner that left some doubt as to whether he considered it one of the benefits of the job.*

"The five nations," the Mayor was saying. "I gave that speech at Forest Park High School. The five nations—uh," he said, warming up his vocal chords in earnest and beginning to round off the final consonants with that Lawrence Welk flourish.

"Collaboration. The ability to work together. Your friends will be my friends. Determination. It's no use to make friends if you can't see it through." He told his Robert the Bruce story: "Six times he tried and failed and the seventh time he succeeded. Resignation," he continued. "You can't sell 'em all. Resignation—uh. Imagination. The one that separates the sheep from the goats. Painters. I line up about five of 'em. An average man, he sees a can of paint and a brush, that's all he sees. Imagination. And coronation. You've finally made it.

"I've given that speech so many times I don't know it any more. I used to do a lot of high schools. I caught 'em young when they didn't know any better—then they'd vote for me later on."

The car pulled up and the Mayor got out in front of a funeral home. The son of a city employee, a Marine killed in action in Vietnam, was to be buried that morning. The Mayor went in, knelt by the side of the casket and came back out to stand on the corner.

The Mayor went back in for the service and when he returned he was visibly subdued. "Twenty years of age," he said. "Gunshot wound. That's a senseless war we're in. I hope the President finds some way to get out of that mess. Brother Pulley, let's go over to my house."

Pulley drove to the old Friends Meeting House on Fayette street which is being restored under McKeldin's auspices. The Mayor jumped out and accosted several Negro workers who were mixing plaster in front of the building. "Good morning, Mayor," they said.

"Work fast, my brothers, work hard," cried the Mayor. "Finish this job before I get out of office." (The Mayor addresses Negroes and Jews almost invariably as "my brother.") After a fast look inside at the half-completed restoration of what he said was the oldest church building in the city, he confronted them again. "You know in Europe the workers who built the cathedrals had to go to mass and confession to prove they were holy." The plaster mixing stopped momentarily. "I know you're holy." Backslap, ribjab, smiles, renewed mixing. "Okay, Mayor."

Back downtown, the Mayor headed for the hotel diagonally across the street from City Hall for some breakfast. He ordered, brushed off a favor seeker with "Speak to one of my secretaries," and as he sat down at the table to await his plate of eggs and toast, sang a chorus of "All Through the Night."

"Who's that singing?" demanded a waitress, peering over the counter. "Oh," she said.

*"For a long time I figured Teddy McKeldin for nothing but a clown—well, confound it, he is," said Gerald W. Johnson, a former Sunpapers editorial writer, one of the editors of the New Republic and a onetime McKeldin speech writer. "But underneath he's sincere in trying to establish better race relations in Baltimore. He's been at it for 30 years and the results showed up this summer. So his great achievement is purely negative. This was a target city. Well, they didn't realize what a fire extinguisher McKeldin is.*

*"There's no doubt in my mind that his influence on the State has been extremely salutary. McKeldin has a good record as governor. But he's been handicapped, or helped, as governor and as mayor, by a legislative body of the opposition party. So whatever he gets through, he gets double credit for.*

*"He's a practical idealist. Philosophically, he's an eclectic. If he sees an idea, he uses it, he doesn't care where it comes from. That's what made him exasperating to old-style conservative politicians.*

*"Of course there's been great bitterness in the Republican party because McKeldin has never tried to build it up. The only thing he could do is win an election occasionally. He couldn't build up the party if they didn't get in back of him and they never have. If a man proves he can win, Maryland Repub-*

*licans drop him instantly. But since I've been in Maryland—40 years—they have never had a figure of his size."*

He first came to the attention of Maryland Republicans exactly 40 years ago the Mayor said after the Board of Estimates meeting as he sat in his City Hall office with its leather settees, huge mirrors and ornate chandeliers. (Its florintine Nineteenth Century style was described by a City Hall reporter as "Victorian brothel.")

McKeldin had decided he wanted to campaign for William F. Broening, a Republican candidate for mayor in 1927. "I went down to see them at City Hall. I told them I wanted to make some speeches, you know, speak in halls. They said, 'You have to have a reputation to speak in halls. You can have the back of a truck.'

"Well, I went out and got on the truck. It was painted red, white and blue. They said 'Who are you?' I said I wanted to speak for Broening, Bell and Tome. The man pointed across the street. There was a garbage truck over there. He said, 'You can go on that.' You see, you had to be known in those days.

"Anyway I stayed on the truck and we went down to Fayette street. A guy came up with a trumpet and blew it. About eight or nine people gathered around, and I started my speech. I did all right."

Broening was elected and made McKeldin his executive secretary. "I learned more from that man than from any other man on earth," said the Mayor.

The Broening experience, in fact, may have given McKeldin his prime political appeal, one that has enabled him to win as a Republican in a heavily Democratic state and in a city where registered Democrats outnumber Republicans five to one: don't run against a young "fresh" Democrat. If you're unexpectedly faced with one, make sure there's a fight in the Democratic ranks. There usually is anyway, a situation McKeldin has used to his advantage almost since he first started running in 1939.

*"He has minority appeal. He puts together a weird combination of poor Negroes and wealthy whites. His strength among voters is the fact that he's always been able to stand as a liberal Republican against machine politicians," said Robert Loevy, who covered City Hall as a reporter and is now assistant professor of political science at Goucher College. Dr. Loevy, who predicted McKeldin's win in 1963, examined in his doctoral dissertation the effects of Democratic factionalism on several McKeldin campaigns.*

*He writes: "In 1927, William F. Broening elected himself the first GOP mayor of Baltimore since 1895 by uniting the descendants of 'Sonny' Mahon against Kellyite candidate Willie Curran. (Mahon and Frank Kelly were rival Democratic bosses in the Twenties.) In 1943, McKeldin reenacted Broening's victory by getting Jack Pollack (the near-legendary Democratic boss of Baltimore's Fourth district) on his side in a showdown battle with incumbent Mayor Howard Jackson."*

McKeldin won by 20,000 votes, the biggest majority ever given a Republican in Baltimore. He won again seven years later in the race for governor running against William Preston Lane and the sales tax. He received 94,000 votes, the biggest majority ever given a gubernatorial candidate of either party up to then. "I was not elected, Mr. Lane was defeated and Mr. Lane was not defeated, the sales tax was defeated," said the Mayor. (Once in office, McKeldin not only didn't repeal the sales tax, as he'd said he would during the campaign, but increased it to 3 per cent. "I made a mistake, originally," he said later.)

In 1954, running against the former president of the University of Maryland, Dr. H. C. Byrd, McKeldin was reelected. The issue was school integration; McKeldin was in favor of a moderate but progressive integration program. He won by 60,000 votes.

Altogether, McKeldin has run eight times and won four. He's only missed two races, that for mayor in 1947 and the one for Governor in 1962. He explained, "I was defeated for governor in 1946 and I was in no mood to run for mayor in 1947." Of 1962, the Mayor said simply, "It was not my turn."

The following year, however, it was. Yet his last race which, he says, was also his toughest (he won by just 4,600 votes) seems to contradict the theory. McKeldin's opponent four years ago was Philip Goodman, a young non-incumbent and for once the Democrats presented a solidly united front.

But McKeldin's practiced eye spotted cracks in the facade. "Some of the people who were for Phil in the faction, I could sense weren't enthusiastically for Phil. So I got some assurances that I would get support from them. Quietly. And I got that support. I don't want to identify them."

Despite his talent for winning, the Mayor's relationship with the State Republican party, especially the conservative wing, has remained almost as chilly as the reception he got in 1927 when he went to City Hall to offer his services as a speech maker. In 1964, he left the Republicans altogether in a dispute with the Goldwater segment and endorsed Johnson.

Why, then, is he a Republican? The Mayor's voice rose sonorously. "I'm a Republican because my grandfather was, who came from Scotland and saw people enslaved because they had faces that were not his color. He enlisted in the Union Army, was killed at the battle of the Monocacy in Frederick county, Maryland, fighting under General Lew Wallace of Ben Hur fame out of Indiana, and is buried at Antietam. That made my father a Republican and I'm his son and it made me a Republican.

"I remember making that statement in a forum in a big synagogue in Worcester, Mass., and they laughed. They said is that a good enough reason to be a Republican because your grandfather and your father were? I said if I were not so closely identified with Jewish causes I wouldn't give you this answer because it might be misunderstood. But I said it is as good as the answer your fathers gave when they were slaves in Babylon and the book says they stood by the waters of Babylon and cried out 'If I shall forget the old Jerusalem, let my right hand lose her cunning.' And if I should forget the sacrifices my fathers made for me, may mine also lose her cunning."

To what effect has McKeldin used his office? Some observers feel the high point of his career was his first term as governor when he overhauled antiquated budgetary procedures and continued Governor Lane's program of road and facilities construction. And in 1952, he became a national figure when he nominated Eisenhower at the Republican National Convention. He fulfilled speaking engagements all over the country, many of them to sell bonds for Israel. (He still travels to foreign countries regularly; his last trip abroad was to Vietnam in September as one of the election judges.)

Yet a number of people feel that this term as mayor, especially this summer when he helped stop the city from burning, probably equals anything that went before. This summer may, in fact, turn out to have been his crowning achievement.

He got a crash job program started and vowed to visit all 28 Community Action Agency neighborhood centers in an effort to cool things off. He did. On the way the Mayor promised to renew his efforts to get funds for a city-wide war on rats and to back a bill whereby rent would be placed in escrow until landlords made repairs. (He has already backed the busing of school children from the ghetto to better schools throughout the city.) C.O.R.E.'s Floyd McKissick, for one, at Newark's black power conference, credited Baltimore's open-minded political leaders for their part in preventing a Newark-style rebellion here.

*"He kept his cool beautifully," said Peter Marudas. Marudas is a former Evening Sun reporter who several months ago became the Mayor's administrative assistant.*

*"My impression is the Mayor has to deal with the overview and the major problems. He doesn't have time to get involved with the details. Even if he chose to be obsessed with administration, he couldn't do it. In the 1940's the city's budget was $76,000,000. Now it's over $400,000,000. Take civil rights. Who was even making promises in the Forties? Now you have to have a task force."*

"My first term was nothing compared to this," Mayor McKeldin was saying. "I just had a chief engineer, a water engineer, a highway engineer, a comparatively small welfare department. The chief engineer used to run the whole department of public works for me and the city solicitor, Simon Sobeloff, he ran all the other departments. (Judge Sobeloff, an old friend of the Mayor's, was appointed United States solicitor general in the Fifties by then President Eisenhower upon McKeldin's recommendation; he is now a United States Circuit Court judge.)

But now the thing is so complicated, with the money that we get from Washington and the State and so many investigations and inquiries. People talk to me about bills I never heard of that have been introduced. It's not possible to be on top of the job now. We've got two or three people here and a corporation of about $500,000,000.

"The Mayor's office is completely inadequate to cope with what's going on. The management of the great municipalities is more complicated and more distressing than ever. I think it's a greater challenge to be mayor than to be governor. So far as the challenge is concerned it's equally as great, I think, to be mayor as it is to be President. Here's where the masses are, here's where the uneducated are coming in. Here's where you have the marches and the riots. And properly so in my opinion if people are not given the necessities of life."

The Mayor has gotten a number of programs which reflect his progressive philosophy through the Democratic City Council: the rent supplement and self-help housing programs and the reorganization of the public works department were some of the more controversial ones.

In early 1964, at the beginning of his term, he made a unique appearance before the Council to urge the enactment of a civil rights program. The Council passed it although the open housing section was deleted and the public accommodations provision was narrowed. Twice since then McKeldin has introduced open housing legislation; twice the City Council has defeated it.

*"He has a peculiar mode of operation as a Mayor," said Tommy D'Alesandro, president of the City Council. "I've watched other mayors—Jackson, my father, Grady. He'll originate legislation and pass it up to us and take a hands-off attitude. I don't think dealing with the Council is one of his strong points."*

My record with the Council is excellent," the Mayor continued. "You can only do what's possible in this business. On open housing we tried to bribe—legitimately bribe with jobs—and we couldn't get it through. Nobody has been more involved with the City Council than I have—that's where Mr. Adelson comes in."

M. William Adelson, a Phi Beta Kappa graduate from Washington and Lee and valedictorian of his law school class at Duke, has been associated with the Mayor since the Thirties. He is McKeldin's "backroom man."

("They love each other, they hate each other," says a close observer. "McKeldin plays

the noble leader responsive to the wishes of the people. Bill Adelson leads the shock forces on the front line. Whatever needs to be done down in the nitty-gritty of politics, he'll work out the problems. He has the intellect and force to deal with the system. McKeldin could not exist without men who can come to grips with the system. His answer is 'See Bill.' ")

"He was my political adviser at Annapolis," said the Mayor. "You have to have somebody handle the details of things. You can't expect people to do favors for you or vote for something they don't particularly want if you're not going to take care of some of the people in their precincts who need jobs.

"And while I was Mayor he would talk with the members of the City Council and they would talk with him. I'm not much on patronage—it's not my field—whether you should give this one a job or that one a job. He would give me some recommendation," said the Mayor.

*"I don't advise the Mayor on anything," said Bill Adelson. "I've told people I have neither the time nor the money to be involved in political affairs. I talk to him on occasion about things here and there that are of interest to city government. My interest isn't politics but people. What jobs? You know I wrote the open housing ordinance the Mayor introduced in 1963. Then we started counting votes. I was asked to participate in a meeting with the various councilmen to try to reconcile their differences. The meeting started at 8 A.M. at my house and lasted until 2 or 3 the next morning. I had as many as twenty people sitting in on the discussion. The thing bogged down with the councilmen in the Third district. You've got certain districts; they'd never vote for it. They could burn down City Hall, they'd never vote for it.*

*"People have the impression when we open the door in the morning there's a bucket of money out there. Well, I open the door every morning," sighed Adelson, puffing a cloud of cigar smoke at the ceiling, "and you know something—I've never seen one of those buckets."*

The Mayor, a large figure in a gray topcoat and a wide-brimmed homburg, moved up the steps of City Hall and as he passed swiftly down the hall toward his office, a man fell in step beside him. He was carrying a small plaque to which a tiny rack of antlers had been attached with a couple of screws. "Hello, Max," said the Mayor.

As they reached the door, Max said something to the effect that "Now they say I have to let colored in my place." The Mayor fumbled for his key and something to say. Max presented his plaque. "I love you, Mr. Mayor," he said.

"Max is from Romania," said the Mayor.

He went inside. He put the plaque on top of a cabinet that held other plaques and photographs and the accumulated debris of four years in office. "Max loves me," said the Mayor to his secretary as he passed into his office.

*"My enthusiasm has waned. There are a number of things. One is his disregard for economy. He's setting a poor example in his own office. The expenses have doubled in three years, while in my office I've been removing employees that weren't needed," said Hyman Pressman, city comptroller.*

*"Secondly, I'm disappointed in the many acts of favoritism in giving out engineering consultant contracts without competitive bidding. I wanted a review board to process consultants in the field and make recommendations. The best I could get was a board to approve recommendations. It accomplished little.*

*"The third element that disturbs me is that he threw obstacles in my path in the many efforts I made not only in economy but for the better working of city government. It became obvious to me that he would oppose my ideas just because I proposed them.*

It was early afternoon and the Mayor was conferring with his department heads prior to a meeting with the Carroll county commissioners who, they knew, were going to ask to take 3,000,000 gallons of water a day from a city reservoir. The city officials agreed they could afford to sell that amount of water but if the request went up to 10,000,000 gallons next year, it would cut into the city's supply. They decided to give the commissioners what they wanted.

The commissioners filed in. "How many?" said the Mayor, cutting short the preliminaries.

"Mr. Mayor," said the spokesman, "we'd like to take about 3,000,000 gallons out of that little old reservoir up there."

"Man, you want to empty that thing, don't you," exclaimed the Mayor, rearing back in his chair in mock alarm.

There followed a technical discussion of pumping capacities between the county engineer and Bernard L. Werner, the city's director of public works. After some more pleasantries, the Mayor said, "Let us study the proposal," and the commissioners left.

"Bernie," said the Mayor when they'd gone, "I was afraid you were going to give everything away."

"Whaddaya mean," said Werner, "there wasn't any problem."

"I know, but I didn't want them to know that."

*"The militants came in this summer and said they wanted jobs," said John Woodruff, city hall reporter for The Sun.*

*"The Mayor said, 'Give me a couple of weeks.'*

*"They said, 'We need these jobs now.'*

*"He said, 'How many?'*

*" 'Two hundred and fifty,' they said.*

*" 'I'll have 350 tomorrow morning. Get the people in here.'*

*"He's smart. He gave them the opportunity to pound the desk. He knew he had the jobs. They've had unskilled city jobs they haven't been able to fill in years. They haven't had to run to get that many people. They didn't have time to riot.*

*"Somebody said on one of these visits to the neighborhood poverty centers he ought to go into an acting career when he gets out of office. I said, 'What do you think he's concluding?' "*

The last of the poverty tours started in front of City Hall in mid afternoon, the Mayor's limousine leading a caravan of cars of newsmen and representatives of city departments. In the library of the first center, in a public housing project, the Mayor told the story of how he went to work at 14 after finishing grammar school but later attended night school and finally got a law degree from the University of Maryland. Persevere he was saying and you can rise to the top.

At the second center, also in a project, a group of women representing the resident councils said they wanted a crossing light, a littered alley cleaned, more police protection. The department representatives took the information down.

At the third center, on East Baltimore street, a man standing out on the sidewalk watched the procession enter and said "I didn't look for the Mayor to be down here." Inside a woman was saying, "I live in Lafayette-Douglas Homes. Why can't I get a larger refrigerator? They say you can't unless you have eleven children."

"Why don't you?" said the Mayor.

"Well, if I could support eleven children I wouldn't be in public housing," the woman stammered.

"Don't you believe in family planning?" someone asked the Mayor.

"No," he said. "If I did I wouldn't be here. I was number ten."

The Mayor, who was born November 20, 1900, was the tenth of eleven children of a Scotch-Irish stonemason and policeman, an immigrant from Belfast. His mother came from Germany. The lack of a high school education prevented him from becoming a preacher, his first ambition. (He is a Methodist but attends the Episcopal church.) But along with his night school courses he took some public speaking lessons from Dale Carnegie who was then touring the country. McKeldin later taught the course himself. When he was 24 he married the former Honolulu Claire Manzer. They have a son, Theodore R. McKeldin, Jr., an assistant United States attorney and a daughter, Clara Ziegler, both of whom are married. There are two grandchildren.

"Why aren't you running?" a man wanted to know.

"I'm 67," McKeldin said, "and the Democrat who's running against me, Tommy, is 39. And I was just convinced that 67 could not beat 39. I profited by that myself. In 1943 when I ran against Howard Jackson, I was 41 and he was 60 some. He'd been Mayor for 16 years. So they didn't vote for me they voted against Howard Jackson to give a young man a chance. It worked well in my favor and it would work well against me. I just couldn't win. I didn't want to end my career with a smashing defeat. And if I were defeated it might be seen as the defeat of my championing of minority groups and that would be bad for us."

Something else that might have affected the Mayor's decision was lack of campaign money.

("Democracy is the most dangerous form of government," the Mayor had said, then explained cryptically, "people run out on you, things can change overnight.")

Most people seem to feel he's run his last race and the experts are ready to retire him to a number of careers. Gerald Johnson thinks he would make an excellent executive for the inner harbor project. Professor Loevy at Goucher believes he would be an effective Ambassador to Israel ("provided they got a good second-in-command to run the office"). Others feel he will take the job of good-will ambassador for the Port of Baltimore. President Johnson has considered him for four positions, all of which the Mayor has turned down because he says he doesn't want to leave Baltimore.

*"Swan song? Maybe your premise is wrong. So long as he has life in his body he will always be a candidate—consciously or unconsciously," said Samuel A. Culotta, a special assistant to McKeldin during his first term as Governor.*

*"I think this summer put a terrific strain on him. I'd like to see him take a rest for six months. He gets revived. Then I'll bet he'll want to go for the Senate."*

"He's still a very restless soul," said old friend Simon Sobeloff.

## DRUG HEARINGS

Mr. DODD. Mr. President, during the past month, Dr. James L. Goddard, Commissioner of the Food and Drug Administration, has become the subject of a national controversy with regard to Federal Government policy on the burgeoning problem of the use of marihuana.

I submit that it is not Dr. Goddard who should be the storm center of this unfortunate controversy. It is the Congress of the United States.

It is Congress which has the grave responsibility of enacting, and reexamining, and recodifying, and updating the laws of this land.

As a result of the fact that Congress has neglected to appreciate the obsolescence of existent laws concerning

marihuana, this controversy has been permitted to develop.

Dr. Goddard has become the storm center of this controversy only because, like other administrative and judicial officials, he has been compelled, by congressional inaction, to search for a course of administrative controls which only the Congress can provide.

More than 2 years ago, I tried to alert Senators to the necessity, even then, of recodifying and updating the marihuana laws. But there was no response.

As a consequence, a vacuum was created into which moved college professors and even students who sought to fill that vacuum by the establishment of their own "code" of conduct. This, in turn, soon filtered down from university campuses to high school playgrounds where marihuana smoking became accepted as the "not-so-bad 'in-thing' to do."

The alarming increase in the usage of marihuana by even younger people has been compounded by the alarming increase in rationalization therefore by adults who should know better, especially such so-called thought leaders as college professors and secondary school teachers.

Incredibly enough, some of these very same "thought leaders" justify that which, at first seems to be their strange attitude of permissiveness toward drug use by the young with widely publicized boasts that they, themselves, have used these drugs for a great number of years.

It is, therefore no great wonder that, today, the Nation is confronted with such facts as these:

Marihuana used by an increasing number of young people of all social-economic levels of the national society.

Arrests of juvenile marihuana users in California up 181 percent during the first half of 1967.

Marihuana used by a reportedly large percentage of soldiers, sailors, and marines serving in Vietnam.

If we had no more facts than these three—though, indeed, we have many more—would these not be sufficient to move the Congress from the very inertia which has contributed to the creation of these same facts?

I, for one, do not intend to permit the continuation of this inertia and the intensification of these tragic facts and their resultant cost to the national health and welfare.

As chairman of the Senate Subcommittee on Juvenile Delinquency, I have scheduled hearings for early next year for the purpose of developing a badly needed new legislative policy toward Federal control of dangerous drugs.

Quite naturally, we shall take testimony on the three startling facts which I have set forth, and on myriad facts equally startling. In order, however, to attempt to understand the awful enigma of the teenage drug user we shall search for answers to the following questions:

What are the long and the short range medical effects of drug use?

How do young people become drug users?

To what extent do criminal conviction and penal sentence serve as an antidote for drug abuse?

Should there be strict penalties for LSD possession?

Which Federal agency is best equipped to cope with the marihuana problem?

Mr. President, if to anyone, these questions were not in themselves a dramatic indication of the necessity for full inquiry, I would call the attention of such a person to the following fact:

We are now in the simply absurd position wherein a young person can face a prison sentence of up to 40 years for conviction of possession or sale of marihuana. Yet, for the possession of the infinitely more harmful drug, LSD, a young person cannot even be arrested.

Quite obviously, justice and commonsense demand that the Congress move. I intend that the Congress shall begin to do so with our forthcoming hearings.

## INTERAGENCY COOPERATION AIDS LOW-INCOME IN WISCONSIN

Mr. PROXMIRE. Mr. President, there are many examples of State and Federal agency cooperative programs to help low-income people to live better. I invite attention to one in Racine County, Wis., which, in my opinion, is unusually successful. It is yielding the kind of lasting results envisioned by Members of this body as we have approved funds for low-income programs.

This program in Racine County is being operated by the Cooperative Extension Service of the U.S. Department of Agriculture and the Department of Public Health. It is a two-phase training program for mothers receiving aid to dependent children.

During the first year, 107 women were graduated from the first phase. Ten of them have found employment and are off welfare rolls. Forty are enrolled in training designed to develop skills which will lead to employment as nurses' aides, clerical aides, institutional cooks, and productive machine operators. Sixty-seven are continuing in a series of classes organized around clothing selection and construction, cooking low-cost meals, child development, consumer education, and self-development.

All the women have learned new respect for donated foods. Twenty-five percent had not used the foods prior to the classes and are now taking advantage of them to feed their families better. Twenty percent of the women who had been buying nearly all their baked goods are baking at home, using donated foods.

Twenty-five learned to make clothing for their families and nearly all have been able to buy a sewing machine. The buying of sewing machines probably resulted from what the women learned about money management in the classes. Prior to the classes, one-fourth of the women did not keep any type of spending record.

This is just one of many programs the Federal Extension Service is cooperating in or conducting to meet the specialized needs of low-income people in my State of Wisconsin and throughout the country.

## THE NEW ECONOMICS

Mr. MONDALE. Mr. President, recently, a most perceptive memorandum by Mr. William Biggs came to my attention.

Mr. Biggs is a former chairman of the board of the Bank of New York and is presently chairman of the investment research department of that bank. He is one of the most respected bankers and economists in the field of finance today. He has served in recent years as chairman of the board of the Brookings Institute. What he has to say regarding the "new economics" is most incisive.

In view of the great interest in fiscal matters now evident in Congress and the country, I ask unanimous consent that the memorandum be printed in the RECORD.

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

GONE WITH THE WIND?

(By William R. Biggs, the Bank of New York investment research department, October 16, 1967)

Perhaps one of the most discouraging elements in the present situation is the fact that the New Economics, which was launched with such hope in the early 60's, and had such success for a number of years, is in such mortal danger. This danger arises from the willingness of politicians and the people to accept fiscal expansion measures, such as tax cuts, in times when the economy and its growth are lagging, and their unwillingness to approve measures of restraint when such action is obviously called for to prevent overheating of the economy and inflationary price rises. In this connection it should be noted that a recently reported Harris poll gave the following statistical summary of what the public is willing to support:

MEASURES TO CURB INFLATION

| | Favor | Oppose | Not sure |
|---|---|---|---|
| Pass 10-percent surcharge on taxes (percent) | 15 | 78 | 7 |
| Reinstate tight money | 20 | 56 | 24 |
| Pass small tax rise | 21 | 67 | 12 |
| Put in system of price-wage controls | 43 | 38 | 19 |
| Reduce Federal spending | 73 | 12 | 15 |

Source: From the Washington Post, Oct. 16, 1967.

NEW ECONOMICS CONCEPTS

| | Agree | Disagree | Not sure |
|---|---|---|---|
| Tax cuts can give people more money to spend thus maintaining prosperity in slow times (percent) | 59 | 23 | 18 |
| Through spending, changing interest rates and taxation the Government can stabilize the economy | 49 | 19 | 32 |
| A little continuing inflation is a cheap price to pay to maintain prosperity and full employment | 49 | 24 | 27 |
| One way to control inflation is to cut down consumer spending by raising taxes | 22 | 59 | 19 |

Source: From the Washington Post, Oct. 16, 1967.

In view of the public's attitude it is not hard to understand why the Administration and Congress are reluctant to implement the New Economics on the restrictive side. Who was it that said, "A people get the government they deserve"?

Price and wage controls are unlikely to be adopted before election since their popularity is usually restricted to the period be-

fore they are adopted!! However, selective credit and capital controls designed to reduce the flow of capital in some directions, (such as for export, for securities, or for takeovers) and increase it in others, (such as for building) might even be expected.

Everybody is in favor of reduced government spending as long as they are not personally hurt by the reduction. Desirable as a substantial cut would be, most of the talk about it in Washington is quite hypocritical. Non-political, well informed observers believe that a "real" cut of $2 to $3 billion on an annual basis is the very most that could be practically realized because of built-in programs, fixed commitments, vested interests and political sacred cows. Then comes the question, from what level is the cut being made? For instance, after the House increased the pay raise to Federal employees over the amount suggested by the Administration, its Appropriation Committee now approves a cut in the number of employees—and calls it a spending cut.

It should be recognized that even if the Administration's tax bill should be passed, there still would not be evidence that the political and implementation side of the New Economics can have practical application. A basic principle of the New Economics is that the Federal budget (national income accounts) should generally be in balance at a time of high employment (or in surplus at a time of overheating). Instead of that we have the highest deficit in the history of this budget. The following quotation from the September Review of the Federal Reserve Bank of St. Louis is pertinent:

"The high-employment budget, a measure of the impact of fiscal actions, showed about an $8 billion deficit in the year ending mid-1967, compared with a near balance in the corresponding period a year earlier. The high-employment budget, which adjusts the national income accounts budget for the effect of varying economic activity on tax receipts and on unemployment insurance disbursements, had shown an average surplus of about $11 billion from 1960 to mid-1965."

"The proposed 10 per cent surcharge, when effective, would reduce the deficit in the high-employment budget by about a $10 billion annual rate. The stimulus from budget actions would then be dampened, but assuming probable increases in spending, deficits of about $5 billion in the high-employment budget might still be expected in early 1968. This would be less expansionary than in the first half of 1967, but about $13 billion more stimulative than in 1963 through 1965."

As things stand at the moment, it certainly looks as if, not only will there be no increase in taxes applicable to the 1967 calendar year, and no significant cuts in 1968 fiscal year spending, but that any tax bill finally adopted will raise substantially less money than requested by the President (which amount, in itself, was obviously quite inadequate to correct the deficit). It might be well to stress at this time, however, the first few words of the last sentence which were "as things stand now". The importance of having some amount of higher taxes effective in 1967 and early in 1968 was so great that the elimination of this possibility, in itself, could bring about the credit problems which it was hoped a tax bill would make easier of solution. Thus it is possible that the severity of the credit problems *could* bring a change of heart on the tax bill in the Congress.

Earlier memoranda this year have stressed the fact that a capital shortage—and especially a fixed interest capital shortage—in the Western World was a very serious *long-term* possibility because of the pressure on prices of a high rate of growth and full employment policies, plus the tremendous capital requirements of the new technology. No one expected, however, that a crisis would come so soon and it need not have come so soon had there been greater and more prompt fiscal action.

In view of the possibility that there may have been some over-borrowing by industry this year, because of the 1966 experience, there may be some hope of a temporary slow-down in capital demands once a tax bill is passed and some sense of balance is restored. However, recent experience in the movement of wages and prices, the expansion in the money supply, and the size of the Federal deficit at a time of high employment are all elements causing the anxiety that the rate of inflation (as measured by the GNP price deflator) may rise to 4% or above. This compares with an inflation rate of 1½ to 2% in the first five years of this decade, and a rise of less then 3% since the beginning of 1965.

A rise in the rate of inflation would put all the more pressure on the capital markets through increasing the need for capital and, as far as the fixed interest capital market is concerned, reducing the attractiveness of bonds to all types of investors.

It is obvious that for some time our economy has been forced to do too much too quickly without our being willing to pay for it. Now it would appear as if we are coming close to the time when we shall have to make some choices as to what we are going to do and face up to, and pay, the cost. Either we will consciously make this choice or the choice will be made for us by the price mechanism of inflation.

Not only the "New Economics" but the soundness of our economy and our currency will be in peril if our politicians and the public are only willing to use the tools of expansion and never face up to the necessity of using measures of restraint when overheating and inflation are the obvious threats. An increasing and high rate of inflation, would be a seriously adverse development bringing, as it would, new problems for our cities, our capital markets, our balance of payments and our economy as a whole. Finally, if a real crisis and credit shortage develops in the next few months, the well-founded expectations for a strong economy throughout 1968 might also be "Gone with the Wind".

## CONGRATULATIONS TO STATION KATZ, ST. LOUIS, MO.

Mr. LONG of Missouri. Mr. President, daily in the Senate we grapple with some of the most urgent problems facing our Nation. I know every Senator agrees that our answers to these problems could never work without the dedication and cooperation of private enterprise.

I am proud to report to the Senate today about a Missouri radio station which is doing a tremendous job of helping the citizens of St. Louis. In doing so, this station is assurance to every Senator that our work for more jobs, better education, and adequate housing is being supported on the local level.

Radio station KATZ is today a part of our Nation's answer to unemployment. Five times a day, 5 days a week, KATZ broadcasts job opportunities for local citizens. They started the ball rolling by sending a thousand letters to St. Louis area firms inviting them to report on job openings. These job openings are broadcast free of charge. Station Manager Mark Olds wrote me recently, reporting:

> The response has been very gratifying, and we have a growing file of letters from companies that have fulfilled their job needs via the KATZ Job Opportunities Program. We intend to keep this needed service indefinitely.

On November 4, this year, KATZ was honored with a special award from the St. Louis Association of Colored Women's Clubs. At the meeting attended by over 1,200 women, a citation was read commending KATZ for the seventh year of the KATZ educational assistance fund. This fund, which is supported entirely by KATZ and runs into thousands of dollars each year, has enabled hundreds of children to attend school.

In addition, money has been made available to help hundreds of St. Louis area youngsters to attend summer camp each year. Feeling that education ranks with employment as a fundamental need of the Negro community, KATZ is continuing its efforts with these youngsters. In 1968 KATZ will open a new drive in the field of housing, another vital need in our low-income communities.

Mr. President, I know I speak for many Senators here today when I extend our sincere congratulations to radio station KATZ and its fine staff for the excellent service they are performing for their listening audience. KATZ is an example of private enterprise, concerned and dedicated to working for the citizens.

The citizens of St. Louis are fortunate. The Nation is fortunate that members of our broadcast industry are investing their talents and skills to the betterment of mankind.

## THE BIG THICKET STORY, TOLD BY PRESIDENT OF THICKETEERS, DEMPSIE HENLEY, TRAVELS ACROSS TEXAS

Mr. YARBOROUGH. Mr. President, recently a new book appeared, written about the Big Thicket in Texas, by one of this day's most outstanding Thicketeers, Mayor Dempsie Henley, of Liberty, Tex., president of the Big Thicket Association. Professing himself to be "no writer," Mayor Henley gives his story so much life and feeling, through his own deep attachment to the Thicket, that the words are forgotten and the story emerges once one starts reading. For this is an engrossing and exciting book, written about the fight to save one of our country's unique areas, in the face of powerful opposition, and just as powerful indifference.

Mayor Henley has won my lasting esteem for his work. In my contact with him, working to pass the Big Thicket National Park bill, S. 4, now pending in the Senate, I have come to have great respect for his abilities. Now he appears in a new role, writing his first book, a tale as interesting as it is true. His success is marked in the words of a recent reviewer, Associated Press writer Robert E. Ford, in the Amarillo News-Globe, that "Henley is a superb storyteller."

In this feature article, Mr. Ford notes:

> It would seem at first glance that everyone could subscribe to the belief that the nation should preserve segments of its wilderness heritage when it is as exotic as the Big Thicket. But not so.

This is the astonishing fact which encounters conservationists and conservationist legislators every day, but one which never ceases to amaze me. It is one which is well portrayed in Mayor

Henley's "The Big Thicket Story," which I recommend to all.

Mr. President, I ask unanimous consent that the review entitled "Big Thicket Lore," published in the Amarillo News-Globe of November 26, 1967, be printed in the RECORD.

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

BIG THICKET LORE

(By Robert E. Ford)

(The Big Thicket Story, By Dempsie Henley (Texian Press, $6.95).)

The Big Thicket of East Texas is a mysterious place. Many hair raising stories are told about it but perhaps the best were known only to a few and carefully kept secret.

It is a vast area of ancient, gigantic trees, impenetrable shubbery and dangerous terrain. It contains extensive wildlife, some the last of its kind.

It is inhabited in the interior by families who grub out an existence with difficulty but without complaint. And at times it has been the refuge of rough and lawless characters.

Once the Big Thicket was composed of 3.5 million acres. Now it is only 300,000 acres and a great many persons believe it is time to halt the creeping destruction and preserve it as a wilderness area.

One of these is Dempsie Henley, mayor of Lufkin and president of the Big Thicket Association. He is the author of a new book, "The Big Thicket Story."

It would seem at first glance that everyone could subscribe to the belief that the nation should preserve segments of its wilderness heritage when it as exotic as the Big Thicket.

But not so. And one of the most fascinating elements of the book is the fight the association still is waging to preserve all the thicket it can until the state and federal governments can step in and protect the area.

The opposition, Henley recounts comes from certain timber interests, developers, oil and pipeline companies, some individual owners of small acreage and even the Soil and Conservation Service.

Some of this opposition seems almost accidental in the normal pursuit of a company's business. But there have been instances of pretty obvious bad dealing. And deliberate sabotage has been found, such as the careful poisoning of a 1,000-year-old magnolia and the killing of one or two known flocks of rare birds.

Henley is a superb story teller. He gets his story across without belaboring the subject. And mingled with the day-to-day reports of efforts to preserve the wilderness are legendary stories about the thicket and the people who inhabit it.

The association is sympathetic to the businesses which have an interest in the thicket. And it is obvious that no government or association will purchase 300,000 acres of valuable timber and leave it idle.

Thus the association is seeking to preserve five portions of the thicket in what Henley calls a "string of pearls" concept. This would give future generations a picture of what the Big Thicket once was. A headquarters area would form a sixth part.

One of these areas would be the Alabama-Coushatta Indian Reservation, close to Henley's heart for he is chairman of the Texas Commission for Indian Affairs. Tourist trade would help the Indians and help in preservation, for the Indians have destroyed none of their reservation.

But the association's efforts are a race for time. Henley says the Big Thicket is disappearing a rate of 50 acres daily.

## PRESIDENT'S QUICK MOVES AVERT FIGHTING IN CYPRUS

Mr. LONG of Missouri. Mr. President, not enough can be said in praise of President Johnson's prompt actions which led to a peaceful course in the Cyprus dispute.

By quickly dispatching to the scene Cyrus R. Vance, the President sent one of our Nation's most brilliant public servants who served the cause of peace with courage and determination.

As the St. Louis Globe-Democrat said in an editorial:

It was a tough, grueling assignment but Mr. Vance performed magnificently.

I think we would all agree on this assessment. For it was no easy task to convince the Greeks, Cypriots, and Turks that the only peaceful course lay in removing troops from this troubled island.

The settlement of this dispute is a major accomplishment of the Johnson administration. President Johnson and Cyrus Vance have brought the Nation great credit. Their accomplishmest should be a matter of pride shared by all Americans.

I ask unanimous consent that the excellent editorial be printed in the RECORD.

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

WELL DONE, MR. VANCE

United States special envoy Cyrus R. Vance's marathon mediation of the Greece-Turkey war threat over Cyprus brought himself and his country great credit.

Vance, who was sent to the crisis scene early by President Johnson, carried the brunt of the tense, ominous situation.

At one time Turkey was on the brink of sending an invasion armada against Cyprus. Had this occurred and the two NATO partners, Greece and Turkey, become involved in a full-scale war, it might have written finis to NATO which already is badly shattered by President De Gaulle's pullout.

But trouble shooter Vance convinced the Greeks and the Cypriots, as well as the Turks, that the only peaceful course lay in removing troops from Cyprus. It was a tough, grueling assignment but Mr. Vance performed magnificently.

## AMBASSADOR JOHN A. GRONOUSKI: PRESIDENT JOHNSON'S BRIDGE BUILDER IN POLAND

Mr. PROXMIRE. Mr. President, when the history of the Johnson administration is written, I am confident that the President will receive high marks for the quality of men and women he has appointed to fill the key jobs in the executive branch.

One such man is John A. Gronouski, President Johnson's envoy to Poland. A Ph. D. in economics, a former Wisconsin State Tax Commissioner, and U.S. Postmaster General, Ambassador Gronouski was sent to Warsaw 2 years ago to implement the President's historic bridge building program between the United States and the nations of Eastern Europe.

As the Milwaukee Journal pointed out recently, Mr. Gronouski has been remarkably effective—not only as our envoy to Poland, but as our principal point of contact with Red China.

He has a solid background in politics—

The paper notes—

great energy, toughness and adaptability.

I ask unanimous consent that the Journal's excellent news feature on Ambassador Gronouski be printed in the RECORD.

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

[From the Milwaukee Journal, Nov. 29, 1967]

GRONOUSKI WELDS CHINA LINK

(By John N. Reddin)

WARSAW, POLAND.—When John A. Gronouski sits at the big wooden table in the old hunting lodge called Myslewiski and looks across the identical table facing him at Wang Kuwochuan, the Communist Chinese ambassador to Poland, it is almost as it used to be when he faced the Wisconsin senate finance committee or sat with the president's cabinet in the White House.

Gronouski, the United States ambassador to Poland, hasn't changed his habits. He tamps at, repeatedly lights and puffs at his pipe. Ashes have a way of falling down his coat front. Only protocol keeps him from putting his feet on the table itself.

He never misses a word said. He is never lost for a direct and pragmatic answer. In diplomacy, as in state and national government, he always does his homework.

HAS CHINESE CONTACT

At the moment, Gronouski is one of the few western officials who talks more or less regularly to the Chinese about world issues instead of trading insults and ideological nonsense.

He is the latest American spokesman in a colloquy that has gone on since 1954—for four years in Geneva and since then in Poland.

Myslewiski is in beautiful Lassienki park in Warsaw, long a haunt of lovers, strollers and people walking children and dogs. In a chestnut woods, the Polish government provides the facilities for the meetings, complete with mineral water, tea and biscuits. That and police protection outside.

Inside at the two big tables are only four men from each side—the ambassadors and an interpreter, secretary and adviser for each.

What do they talk about? Neither will say. One of the natural rules is that no agenda will be announced and no disclosure of the discussions made.

That rule was broken only once by the Chinese because of what both sides later agreed, for protocol reasons if no other, was a misunderstanding.

What purpose does it all serve? Basically, Gronouski says it enables each country to tell the other in plain, unmistakable words what its current position is on mutual problems. It is important, Gronouski feels, not just to hear the statement of the Chinese, but to get a feel of the "nuances."

SELDOM GETS ANGRY

Inevitably there are arguments, though fewer now than in the past because polemics don't interest Gronouski much. He doesn't believe in showing anger unless there is no alternative.

It has been some months since there has been a meeting. Ambassador Wang is in Peking.

Unlike state and federal government meetings Gronouski has taken part in, the meetings with the Chinese, he says, aren't "very buddy-buddy." The ambassadors don't bother to shake hands when they meet or leave. They often exchange a few remarks—"chit-chat," Gronouski calls it—before and after meeting. But there is little personal in it. And there is no socializing.

"I would enjoy a drink or dinner with the ambassador to try to get to know him better," Gronouski says, "But so far, that hasn't been possible."

What is Wang like? Gronouski has described him this way:

"He is a very articulate man who gives the

impression of hewing closely to his instructions. He is also quite formal, perhaps in keeping with Chinese traditions or custom. But, in any event, we haven't developed a buddy system."

Has anything ever come from their discussions? Gronouski says that in the early days they resulted in the freeing of some American prisoners in the hands of the Chinese as a result of the Korean war.

CHANNELS OPEN

And now? "Well," Gronouski says, "it is mainly that our two governments are talking to each other at a high level—my adviser, for instance, comes in here from Washington a day or so before any meeting. We work together. I know what our government thinks and wants to say and I say it. The presumption is that Ambassador Wang does the same thing.

"So we are getting the points across to each other that our respective governments think important. That in itself is of great value. And nobody can guess when there might be an important breakthrough of one sort or another—the important thing is to keep the channels open."

Gronouski refuses to discuss it, but some time ago in Washington it was admitted that early this year he played the major role in Vietnam discussions instituted through the Polish government and ended after the resumption of American bombing last spring.

HAS SOLID BACKGROUND

There is hope here that such discussions might be reinstituted in time. Gronouski is in a unique position. He has a solid background in politics, great energy, toughness and adaptability.

His educational background includes graduate studies in international finance and government. He may lack formal diplomatic experience, but diplomats here, American and foreign, praise his warmth, his down to earth approach and his eagerness to talk about anything to anybody.

"He is a man I can talk to, and with whom I enjoy spending an evening," an Egyptian diplomat, whose country has no diplomatic relations with the United States now, said. "He is a great human being."

PRAISED BY AIDE

"I never served under a man like this before—so informal, so considerate, so blunt and pragmatic," an American aide said. "It's refreshing, and it keeps us on our toes."

One of Gronouski's great advantages is that he doesn't have to follow strict diplomatic protocol because his lines to Washington, and even to the White House, are direct. His experience in government has taught him how to use them to the best advantage.

Day to day, of course, Gronouski is concerned with Polish-American relations and works hard at it. His Polish improves constantly, as do his contacts.

He is a frequent visitor to other east European nations, serving as a sort of roving ambassador to learn from colleagues. He is a strong advocate of President Johnson's program to "build bridges" through trade.

CONCERNED OVER CHINA

But now, with six meetings with the Chinese under his belt, he keeps coming back to that problem. He said:

"It is terribly important that the United States have some contact, some linkage with Communist China. It is important to have a channel to express our own point of view and hear their point of view.

"Our meetings are a forum where we can pry into each other's positions. If either says something of importance it can be pursued—or either side can catch the other up if need be. Both sides have a place to talk. Somewhere along the line something may happen in face to face discussion that could break the dam—could lead someplace."

Everyone, including Communist diplomats, keeps asking Gronouski what the Chinese are saying. But, says Gronouski, pulling on his pipe, "it's confidential."

## FEDERAL LAND BANK GOLDEN ANNIVERSARY MEDAL CITATION TO SENATOR HOLLAND

Mr. JORDAN of North Carolina. Mr. President, last year Congress passed Senate Joint Resolution 153, now Public Law 89–679, authorizing the Secretary of the Treasury to furnish the Federal land bank system medals with suitable emblems, devices and inscriptions commemorating the 50th anniversary of the establishment of the Federal land bank system, initially established to enable the American farmer to obtain capital for productive purposes, at low rates and for long terms on the security of his farm.

Mr. President, on December 5, 1967, Federal Land Bank officials presented the distinguished senior Senator from Florida, SPESSARD L. HOLLAND, with one of these medals for his contribution to the progress of the citrus industry in Florida and to agriculture throughout the Nation. Appropriately, two Floridians, Mr. Lorin T. Bice, of Haines City, Fla., vice chairman of the Federal Farm Credit Board; and Mr. J. R. Graves, of Wabasso, Fla., director at large of the Farm Credit Banks, of Columbia, S.C., were among the officials presenting the award.

Mr. President, I shall not endeavor to enumerate the accomplishments of the able Senator in the betterment of the agriculture community, a vital segment of the American economy. We are all well aware of them. Suffice it to say that as a result of his efforts the agriculture community has continued to improve and there is no doubt that its interests will continue to be protected in the Committee on Agriculture and Forestry, of which he is the ranking member, and in the Committee on Appropriations where he is chairman of the Subcommittee on Agriculture Appropriations.

Mr. President, I ask unanimous consent that the citation be printed in the RECORD.

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

FEDERAL LAND BANK GOLDEN ANNIVERSARY MEDAL CITATION TO SENATOR SPESSARD LINDSEY HOLLAND

The Honorable Spessard L. Holland, United States Senator from Florida, has contributed much to the progress of the citrus industry of Florida and to agriculture throughout the nation.

A native of Bartow, Florida, the Senator holds many degrees both earned and honorary, from many institutions of higher learning which recognize his many accomplishments. His early career included distinguished service as an Army officer in World War I, teaching and as an attorney which provided the excellent background for his many years of most fruitful public service.

As a judge, member of the Florida State Senate, and as Governor of the State of Florida, Senator Holland rendered outstanding service to all of the people of that great state.

Since 1946, Senator Holland has served for 21 years with distinction as United States Senator from Florida. He holds membership on many important Senate committees including Agriculture and Forestry, Aeronautical and Space Sciences, Appropriations, and the joint Senate-House Committee on Reduction of Nonessential Federal Expenditures.

Through his knowledge, understanding and leadership, as a member of the Senate and the various Senate committees, Senator Holland has rendered a particularly outstanding contribution to the progress of American Agriculture.

The twelve Federal Land Banks of the nation take pleasure in recognizing these splendid contributions to the progress of American Agriculture and present their 50th Anniversary National Medal, struck by the United States Mint, as directed by Congress, to a great leader, loyal friend, and supporter—Senator Spessard Lindsey Holland.

## LAS VEGAS: SPORTS AND CONVENTION CENTER

Mr. CANNON. Mr. President, Las Vegas, the fastest growing city in the United States, is being recognized throughout the Nation as the sports and convention capital of the country.

Both of these features were underscored recently at the Sahara Invitational Golf Tournament, which has firmly established itself as one of the major sports attractions in the United States.

This year's tournament, hosted by the Sahara Hotel and coordinated by John Romero, was seen by millions in a national telecast by Sports Network, Inc.

An outstanding feature of the telecast was a special introduction on the final day outlining the growth of Las Vegas as a convention center.

The millions of viewers saw not only the famous Las Vegas Strip—3 miles of luxurious resort hotels, almost all of which have excellent convention facilities—but the magnificent Las Vegas Convention Center whose facilities attracted 235 conventions during 1966. Viewers also saw that efforts to attract conventions is never-ending in Las Vegas. In this connection, the network noted that the largest resort hotel convention facility in the United States presently is under construction.

Las Vegas is host to more than 20 million guests each year because of its entertainment, year-round sports, perpetual sunshine, excellent transportation, and convention attractions. There is no doubt that Las Vegas' sports events and convention facilities, like the growth of the city, will remain No. 1.

## NATION OFFERS TRIBUTE TO JOHN NANCE GARNER

Mr. YARBOROUGH. Mr. President, the people of Texas knew and loved John Nance Garner for 98 years, and it was a great loss for the whole State when this great man died on November 7, 1967. He should have lived a century, and more. He is the kind of man who comes along so seldom that we want to keep him around for a long, long time.

In the few weeks since his death, Texans, indeed, all Americans, have been trying to put into words what John Nance Garner meant to them and to the Nation which he served so long and so well. I have collected some of these tributes.

To these tributes, I add: No man ever doubted that he had a friend in John Nance Garner, if Garner liked him. And no man ever doubted that he had a worthy opponent in John Nance Garner, if Garner was against him. He was a great source of encouragement to me in some of my most difficult campaigns, and his portrait, which hangs in my Austin, Tex., office remains a source of encouragement. I treasured his friendship. Although his death came just shy of his 100th birthday, he had become a legend in his own time, and will not soon be forgotten by any of us.

Yesterday, Mr. President, I recommended to Postmaster General Lawrence O'Brien that a special postage stamp be issued on November 22, 1968, the centennial of John Nance Garner's birth, to honor John Nance Garner.

Mr. President, I ask unanimous consent that the following articles of tribute to John Nance Garner be inserted at this point in the RECORD: "Uvalde Neighbors Mourn Garner," Dallas Times Herald, November 8, 1967; " 'Cactus Jack' Garner Is Dead," Dallas Morning News, November 8, 1967; " 'Cactus Jack' Dead at 98," Amarillo Daily News, November 8, 1967; "Created Own District," San Antonio Light, November 8, 1967; "No Lace on Tongue," San Antonio Light, November 8, 1967; "Garner Knocked V–P Job," Dallas Morning News, November 8, 1967; "Ex-Official Didn't Object To Name 'Old Man Garner'," Dallas Morning News, November 8, 1967; "Garner Came West To Die, But Lived," and "Ex-Vice-President Noted for His Colorful Speech," Dallas Morning News, November 8, 1967; "Tributes To Garner Paid in Washington," Dallas Morning News, November 8, 1967; "Garner Created District for Self," and "Time John L. Lost Temper Recalled," Dallas Morning News, November 8, 1967; "Crusty Cactus Jack Gets Final Tribute," Houston Chronicle, November 9, 1967; "John N. Garner," editorial from the San Antonio Light, November 8, 1967; "John N. Garner," editorial from the Dallas Times Herald; "Cactus Jack Won't Be Duplicated," editorial from the Houston Chronicle, November 8, 1967; "John Nance Garner," editorial from the Dallas Morning News, November 9, 1967; "Requiem for an Old-Time Democrat Who Helped Father a 'Radical' Idea," editorial from the Independent of Anderson, S.C., November 10, 1967; " 'Cactus Jack' Robust Individualist," editorial from the Evening Star, Washington, D.C., November 16, 1967

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

[From the Dallas Times Herald, Nov. 8, 1967]

UVALDE NEIGHBORS MOURN GARNER

UVALDE, TEX.—Friends and neighbors paid last respects today to Former Vice President Nance Garner, who left Washington in 1941 swearing he would never cross the Potomac River again—and never did.

Garner died early Tuesday, just 15 days short of his 99th birthday.

"Cactus Jack," as he was known during most of his 46 years as an elected official in Austin and Washington, lay in state at a Uvalde funeral home. Simple services are set for Thursday afternoon.

Garner, with a bright red carnation in his coat lapel, lay in an open steel gray color casket of copper. In death his shaggy white eyebrows bristled as prominently as a quarter century ago when he became the only person to walk directly from one side of the nation's capitol as speaker of the House to the other side as vice president.

Hundreds who knew him as a Texas legislator, as a congressman for 30 years, and as vice president under Franklin D. Roosevelt from 1932 to 1940, sent condolences.

"Few have given so long a time and fewer still have used their years to such advantage." President Lyndon B. Johnson said in Washington.

"He enjoyed the respect of all Americans as the spokesman for the rugged and practical individualism that played such an important role in the building and growth of this nation," former President Harry S. Truman said at Independence, Mo.

Garner, who had been looking forward to his 99th birthday Nov. 22 and then to a 100th birthday, died quietly without apparent pain following a coronary occlusion.

"It was just old age," said Don Large, 24, who had been one of Garner's paid companions for almost four years. Large will be one of 10 pallbearers.

"He had a wonderful life. This was the best way to go, said Tully Garner, 71, his son.

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[From the Dallas Morning News, Nov. 8, 1967]

"CACTUS JACK" GARNER IS DEAD

(By Garth Jones)

UVALDE, TEX.—John Nance Garner, who rose from humble origins in rural Texas to the nation's highest power councils, died quietly and painlessly Tuesday. He was 98.

The former vice-president, who was fond of referring to himself as a "little old Democrat," came within one year and two weeks of his goal of living to be 100.

His last words were those of love for a friend.

Garner, widely known as "Cactus Jack," was vice-president for the first two terms of Franklin D. Roosevelt's administration. He broke with Roosevelt over the third-term issue and left Washington in 1941, vowing never to cross the Potomac River again. He never did.

Death came eight hours after a coronary occlusion in the bedroom of a frame house built for servants. He had lived in it since turning his big brick home into a museum memorializing his wife, Ettie, who died 20 years ago.

Beside his hospital-type bed were his doctor, Sterling Fly; his only child, Tully; a granddaughter, Mrs. John Curry of Amarillo, and, holding the dying man's hand, his paid companion, Don Large, 24, of Uvalde.

People in this town 50 miles from the Rio Grande in Southwest Texas were preparing for an annual celebration, the birthday Nov. 22 of the man they called Uvalde's No. 1 citizen. Now the stunned citizens are making plans for the funeral Thursday.

Tully, his son, said that a few days ago Garner had asked:

"After I'm 99, how many more months until I get to be 100?"

At his last birthday, he told assembled reporters and well-wishers: "When you're 98, you've got to be feeling either real good or real bad. I'm feeling real good. I've just got two years to go to make 100—it should be easy."

Born in a log cabin in Red River County, he studied for a year at Vanderbilt University—his ancestors were Tennesseans—returned to Texas, ran for Clarksville city attorney and lost. He moved to Uvalde, 500 miles to the southwest.

In his successful campaign for county judge, he met Miss Ettie Rheiner. She was his wife when he started the first of his two terms in the Texas Legislature in 1898.

The young lawmaker championed some remarkable losing causes. He introduced a bill to divide Texas into five states so as to give the area 10 senators.

And he earned his nickname by nominating the cactus bloom, not the bluebonnet, as the state flower.

He entered Congress in 1903 and stayed so popular in his district he was consistently re-elected without making a campaign speech for 25 years. He came to preside over both houses.

As minority leader, he told a biographer: "I began to try to free myself of all hatred and envy of my fellow man . . . to go to bed at night without a heart filled with such things."

Large, his companion, in a trembling voice, said an hour after Garner died: "This morning he told me he loved me. I reciprocated. He was the greatest."

The labor leader John L. Lewis called Garner a "labor-baiting, poker-playing, whiskey-drinking, evil old man."

Garner often described himself as "just a little old Democrat." Roosevelt called him "Mr. Common Sense."

Tuesday, former President Harry Truman called him "the spokesman for the rugged and practical individualism that played such an important role in the building and growth of the nation."

President Johnson also sent a statement of tribute, but his office said he probably could not attend the funeral services at 3 p.m. Thursday at Frazar Funeral Chapel here.

Garner was not a church member, but his son Tully is an Episcopalian. The rector of St. Philip's Episcopal Church, Rev. Romilly Timmins, will officiate at the funeral.

[From the Amarillo Daily News, Nov. 8, 1967]

"CACTUS JACK" DEAD AT 98

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His last words were those of love for a friend.

Garner, widely known as "Cactus Jack," was vice president for the first two terms of Franklin D. Roosevelt's administration. He broke with Roosevelt over the third term issue and left Washington in 1941, vowing never to cross the Potomac River again. He never did.

Death came eight hours after a coronary occlusion, in the bedroom of a frame house built for servants. He had lived in it since turning his big brick home into a museum memorializing his wife, Ettie, who died 20 years ago.

Beside his hospital-type bed were his doctor, Sterling Fly; his only child, Tully; a granddaughter, Mrs. John Curry of Amarillo; and, holding the dying man's hand, his paid companion, Don Large, 24, of Uvalde.

People in this town 50 miles from the Rio Grande in Southwest Texas were preparing for an annual celebration, the birthday Nov. 22 of the man they called Uvalde's No. 1 citizen. Now the stunned citizens are making plans for the funeral Thursday.

Tully, his son, said that a few days ago Garner had asked: "After I'm 99, how many more months until I get to be 100?"

At his last birthday, he told assembled reporters and wellwishers: "When you're 98, you've got to be feeling either real good or real bad. I'm feeling real good. I've just got two years to go to make 100—it should be easy."

Born in a log cabin in Red River County, he studied for a year at Vanderbilt University—his ancestors were Tennesseans—returned to Texas, ran for Clarksville city at-

torney and lost. He moved to Uvalde, 500 miles to the southwest.

In his successful campaign for county judge, he met Miss Ettie Rheiner. She was his wife when he started the first of his two terms in the Texas Legislature in 1898.

The young lawmaker championed some remarkable losing causes. He introduced a bill to divide Texas into five states so as to give the area 10 senators.

And he earned his nickname by nominating the cactus bloom, not the bluebonnet, as the state flower.

He entered Congress in 1903 and stayed so popular in his district he was consistently reelected without making a campaign speech for 52 years. He came to preside over both houses.

As minority leader, he told a biographer: "I began to try to free myself of all hatred and envy of my fellow men . . . to go to bed at night without a heart filled with such things."

Large, his companion, in a trembling voice, said an hour after Garner died: "This morning he told me he loved me. He reciprocated. He was the greatest."

The late labor leader John L. Lewis called Garner a "labor-baiting, poker-playing, whisky-drinking evil old man."

Garner often described himself as "just a little old Democrat." Roosevelt called him "Mr. Common Sense."

Tuesday, former President Harry S. Truman called him "the spokesman for the rugged and practical individualism that played such an important role in the building and growth of the nation."

President Johnson also sent a statement of tribute, but his office said he probably could not attend the funeral services at 3 p.m. at Frazar Funeral Chapel here.

Garner was not a church member but his son Tully is an Episcopalian. The rector of St. Philips Episcopal Church, Rev. Romilly Timmins, will officiate at the funeral.

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[From the San Antonio Light, Nov. 8, 1967]

HAT TRADEMARK—CREATED OWN DISTRICT

AUSTIN.—John Nance Garner's stay in Austin was brief—but to the point.

He came as a representative from 1898 to 1902. In those four years he acquired two things to be identified with him all his life: A district which sent him again and again to Congress, and a type of hat that became an integral part of his personality.

The district was admittedly his own idea. The hat was his wife's idea. Noticing one day the unbecoming effect of a derby rocking on his ears, she went out and bought the young new legislator a new hat.

"This will look better than the other," she said quietly.

Garner discarded the derby and stuck to the soft felt variety ever after.

Early in Garner's life, the ambition to be a statesman was "burning upon him like the Texas sun on a prairie dog village."

He knew there was only one quick stepladder to big time politics in the nation's Capitol—that was a congressional district including his own county.

Cactus Jack knew what to do. He got himself elected to the legislature. For two years he laid low; then in 1900 he began to blossom out with his plan. The newly taken census helped him. He proceeded to carve out of the state a new district including Uvalde County. Then he went before the House. He showed them the census which indicated the population of Texas had increased to such an extent the state was entitled to more representatives.

In Congress, he frankly told them he had "created a district" for himself. He hoped they would stand by him.

The House listened, considered, and adjourned without taking any action. But that night Garner took action. He began the rounds of all hotel rooms and private homes. By morning he had 81 out of 131 members of the House pledged to his support and on the dotted line. His redistricting report was adopted.

The next thing was to win the Democratic nomination and get elected.

Garner was not the only man in the new 15th Texas District who had his heart set on going to Congress. J. Dibrell of Seguin, who had been a state senator several years, announced his candidacy alongside of Garner in the newspaper.

They began a tooth and toenail campaign. Where Garner went, also went Dibrell. They staged debates so heated that whole towns are reported to have shut up shop and turned out to listen.

"There was," reported one newspaper, "blood, hair and the ground tore up."

Garner proposed a remedy for the trust evil, took a stand against imperialism, declared for the irrigation of the Rio Grande Valley, denounced both the doctrine of free raw material and Republican reciprocity and endorsed the Panama Canal project.

His platform made him the hero of the hour. Dibrell withdrew as a candidate. Garner was nominated by acclamation.

He was on his way to Washington, backed by a district he had created by himself and which was his to "have and to hold."

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[From the San Antonio Light, Nov. 8, 1967]

"CACTUS JACK": NO LACE ON TONGUE

(By James Marlow)

WASHINGTON.—John Nance Garner didn't wear lace on his tongue when he wanted to get to the point. But some people, who missed the point, wished he sounded more like Henry Wadsworth Longfellow than like Cactus Jack.

It was about 1934 and Garner, who died yesterday at 98, was vice president. I was a reporter then on a New Orleans newspaper. The night Garner arrived in town was a quiet one and it was late, around 10:30.

The city editor called me over and told me: "See what you can get out of Vice President Garner. He just got in from Washington. He's on his way home to Texas. He's probably over at the Texas and Pacific station."

SENT PHOTOGRAPHER

He sent a photographer along, too. We went to the T&P depot. There was a train getting ready to leave for Texas. The gateman was still letting a few straggling passengers through.

I asked him: "Did the vice president go through here yet?"

"How would I know?" the gateman said. "We got about 10 of them. I don't know one from the other."

"I didn't know there were that many," I said. "I must have been misinformed. I thought we only had one vice president."

The gateman said: "What vice president are you talking about?"

I said: "The vice president of the United States."

"Oh, I don't know," the gateman said. "He may have gone through. I don't know him. I thought you were talking about the T&P vice presidents. Go on through and go through the train and look for him."

NOT MUCH HOPE

The photographer and I got on the train. We didn't have much hope. The train was a long row of sleepers. And so far as I could see in that last car where we were all the berths were made up and all the curtains were drawn.

I told the photographer to go up front and start with the first car and work his way back. I told him to call out for the vice president and if he found him to come back and get me.

I started with the last car. With those curtains drawn, I didn't know whether anyone was still awake. It was the same in the second car, and in the third.

I walked through, calling out "Vice President Garner" and "Mr. Garner." No good in that last car. No good in the second. But halfway through the third a voice behind a curtain in a lower berth said, "Who wants him?"

It wasn't a gentle voice. It was kind of gritty. But I answered: "I do." The voice said: "Who are you?" I told him I was a newspaper reporter. The voice said: "Whaddya want?" I said: "I want to see you."

"ABOUT WHAT?"

The voice said: "About what?" I said: "Get some clothes on and come on out. I want to talk to you."

The vice president of the United States, whom I still hadn't seen, said: "Hell, no. I ain't agonna git out of bed for nobody."

That finished that. I found the photographer and we went back to the office.

I wrote the story, pretty much like this one, at least in the details about the conversation. I didn't think it was much of a story, except for that last part: "Hell, no, I ain't agonna git out of bed for nobody."

But the managing editor, who died a few years ago, thought that was no way to have a vice president talking. So he changed it and when the paper came out it had Garner saying:

"No, indeed, I am not going to get out of bed for anyone."

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[From the Dallas Morning News, Nov. 8, 1967]

GARNER KNOCKED V-P JOB

(By Alden Whitman)

The homely spoken Texan who was the 32nd vice-president of the United States was never fully happy in the eight years he spent in that exalted office, from 1933 to 1941. More accustomed to the congressional committee room and the small gatherings of influential legislators, he frequently said that he was just "a spare tire of the government" in the first two terms of President Franklin D. Roosevelt's New Deal.

"Worse damfool mistake I ever made was letting myself be elected vice-president of the United States," he remarked after he had left office. "Should have stuck with my old chores as Speaker of the House. I gave up the second most important job in the government for one that didn't amount to a hill of beans."

Although Garner disparaged his job, he was nonetheless one of the most influential men on Capitol Hill in the first years of the New Deal. Having been in the House of Representatives since 1903 and a member of its powerful Ways and Means Committee for many years, he was practiced, as few legislators were, in the intricate and offstage business of getting bills through Congress.

As Presiding Officer of the Senate and as Roosevelt's designated "Mr. Common Sense," Garner put his unexcelled political knowledge to work in obtaining passage of New Deal legislation. He was more conservative than his President and he did not wholeheartedly approve of much of the legislation he promoted, yet personal friendship with Roosevelt (they played poker together) and party loyalty persuaded him to help gather the necessary votes and to direct legislative strategy.

However, after the election of 1936, Garner found himself increasingly out of joint with Roosevelt. Their political differences came to head over the president's controversial proposal for enlarging the Supreme Court to obtain judicial approval of New Deal statutes. The vice-president was against the plan, and although the two men remained on friendly terms after the proposal fell by the wayside for lack of congressional support, Garner was dropped from the circle of White House intimates and from the list of those who lunched with the President at his desk.

Although he became a millionaire from business interests in Texas, he lived simply and had a wide reputation as a tightwad, which he did nothing to dispel.

Apart from baseball, pecan-growing and farming (he raised fowl), Garner's chief avocation was poker. He was so adept at the

game that his winnings in some sessions of Congress exceeded his pay of $10,000 a year.

A product of the rugged frontier, John Nance Garner was born Nov. 22, 1868, in a mud-chinked cabin near Detroit, Texas. His father, John Nance Garner 3D, had been a Confederate cavalry trooper who had migrated to Texas from Tennessee.

The boy's education was so sketchy that he had trouble keeping up with his classmates when he went to Vanderbilt University. Returning home, he read law with a lawer in Clarksville, was admitted to the bar at the age of 22, moved to Uvalde, near the Mexican border, and joined a law firm that eventually became Clark, Fuller & Garner.

When he acquired a newspaper, the Uvalde Leader, as part of a legal fee, he made his name known and was elected county judge of Uvalde County.

From county judge, Garner moved to the Texas Legislature, in 1898. And on to Congress in the election of 1902.

Over the years Garner formed friendships with men who exerted great influence in national affairs—Joseph T. Robinson of Arkansas, Carter Glass of Virginia, Sam Rayburn of Texas, George W. Norris of Nebraska, Andrew W. Volstead of Minnesota and William Randolph Hearst, the publisher.

Garner, a party stalwart except in international affairs (he did not want the United States to become entangled abroad), moved into the national spotlight in 1928, when he was elected House minority leader.

In December, 1931, the Republican majority had disappeared, owing to deaths, including that of Speaker Longworth, and Garner was elected speaker by three votes.

The following year, when Roosevelt was nominated for president on the fourth ballot for the first time, Garner was chosen as his running mate.

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[From the Dallas Morning News, Nov. 8, 1967]

WHEN HE WAS IN 90's EX-OFFICIAL DIDN'T OBJECT TO NAME "OLD MAN GARNER"

(By Frank X. Tolbert)

One of the more endearing things I can say about my friend John Nance Garner, who died Tuesday, was that the former vice-president of the United States didn't object to being called "Old Man Garner" to his face. Not in recent years, anyway.

Garner was one of the natural wonders of this nation. Almost every time I was in Uvalde, most recently in August, I stopped to talk with this delightful man. And once when I was there I was startled when one of his servants referred to him as "Old Man Garner" in his presence, good-naturedly, of course.

I asked Garner why he tolerated this as we sat on his lawn in Uvalde, under the shade of great pecan trees, which shelter some of his favorite creatures, white-wing doves.

"I am Old Man Garner," he replied. "I'm in my 90s. So I can't take it ill when I am so addressed. I damned sure would have been sore a few years back, though, if someone called me Old Man Garner."

Long ago, the labor leader, John L. Lewis, described Speaker of the House Garner as a "labor-baiting, poker-playing, whiskey-drinking, evil old man."

"Old John L. was wrong on one count," Garner told me. "When he said that I was damned sure not an old man. I was only 70 or 71."

One of the most memorable of my visits to Garner's home was on a Saturday in July when he was nearing his 90th birthday and had not yet given up whiskey drinking. (Contrary to press service assertions, Garner did not give up smoking cigars at 90. He was puffing on strong, black Mexican cigars the last time I saw him this summer.)

Before the well-remembered visit when Garner was near to his 90th birthday, I knocked on the door of his small frame house. At first there was no answer. Then Garner bawled: "Come on in. The door ain't locked."

He was watching a baseball game on television between the Pittsburgh Pirates and the Dodgers. He recognized me and said:

"If you came to ask me questions about politics you picked the wrong day. This is my day to watch baseball on television. Sit down and keep quiet until the game is over. Saturday during baseball season is MY DAY. I don't do nothing but watch baseball and talk about it."

Garner was in a rocking chair about 6 feet from the television set. His belt buckle was loosened and he had comfortable congressional gaiters on his feet. He was wearing khaki shirt and breeches and a printer-style eyeshade was above his frosty, flowing eyebrows.

He was puffing a black cigar. There were several other cigars in reserve on a table by his chair. His Latin housekeeper was cooking something which smelled like enchiladas.

He became impatient when I was slow in taking a chair.

"Sit! I'm interested in this now. The Pirates are in town (he meant they were at bat). We can talk when they change sides."

Garner was getting a bad reception (this was before Uvalde got a TV cable) of the baseball game. A Dodger pitcher named Don Drysdale was in double exposure and it looked as if there were a light snowfall in Pittsburgh on that July afternoon.

I said: "Mr. Garner, would you like for me to tune your set and try to get rid of some of that snow and the double exposures?"

"That's good enough picture for me," he replied. "Mess with it if you must, but you durned sure better not make me miss out on any of this."

I decided to leave the television set strictly alone.

At the end of an inning I commented on the decor of the room, which included some interesting bottles of 20-year-old bourbon.

Mr. Garner caught the hint about the whiskey.

"Ain't that time," he said. "Besides, you came in a car, didn't you. Can't serve no whiskey to car drivers."

He saved a lot of whiskey with that rule.

I stayed by the television set with the happy old man for a few more innings. When I left, pitcher Drysdale was back on the mound in double exposure and snow seemed to be falling gently on the Pittsburgh diamond.

One of Garner's favorite endeavors was kissing women who came to visit him on the lawn of his Uvalde home.

Once when I was sitting in the sun with him a bevy of young girls approached. And the old man snuffed out the cigar he was smoking, wrapped the stub in a handkerchief and stored it in the upper pocket of his coat.

After the girls had been kissed and chatted a while with Garner and had left, he removed the cigar stub from his pocket and found that what was left of the cigar had been crushed.

"Damn it! That's what I get for playing kissing bug," he said.

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[From the Dallas Morning News, Nov. 8, 1967]

MANY "BLOWS FOR LIBERTY"—GARNER CAME WEST TO DIE, BUT LIVED

(EDITOR'S NOTE.—Clarence J. La Roche, a veteran San Antonio News reporter, became friends with John Nance Garner in 20 years of covering the former vice-president. La Roche visited Garner several times each year and the two spent many hours "striking blows for liberty" together.)

(By Clarence J. La Roche)

UVALDE, TEX.—John Nance Garner came west to die, but it was three quarters of a century before he did.

He was born in Blossom Prairie, Red River County, in North Texas, Nov. 22, 1868, and 24 years later was told by a doctor he had tuberculosis and to head for the dry country.

"I came here Jan. 9, 1893, with $125 in my pocket, to die," Garner remembered in later years.

He didn't die. He thrived, and his devotion to the country that returned him to health also was responsible for a nickname that remained with him throughout his life and dripped with western flavor—Cactus Jack.

"The only paper I sent up while in the Texas Legislature," he once told a reporter, "contained my suggestion of a state flower.

"Everyone was making a suggestion, so I thought of the cactus bloom and suggested it," Garner said. From that time on, he was Cactus Jack.

A despiser of prohibition, Garner enjoyed "striking blows for liberty," as he called his Washington office gathering where he and pals retired to toss down a few bourbon shots.

Years later, this prompted labor leader John L. Lewis, who was feuding with Garner, to refer to the vice president as that "labor-baiting whiskey drinking, poker playing, evil old man."

In later years, in retirement here, he would greet friends and newspapermen with the invitation to "strike a blow for liberty." After he quit drinking in 1958, he would wave male callers in the direction of the bourbon.

"I quit drinking Oct. 6, 1958, and quit smoking Oct. 8, 1958, after indulging in both for 70 years," he told a newspaperman in 1960. "I haven't touched either since I quit."

About the time he gave up drinking, Garner also dropped other favorite pastimes: hunting and fishing.

"I used to row a boat, but don't anymore," he said. "This old heart gets to pumping and someday it's going to stop.

"I want to live as long as I can."

Garner went to Washington while a Roosevelt was president and he left when a Roosevelt was president.

He first served with President Theodore Roosevelt and finished with Franklin D. Roosevelt.

His was a long trail from Blossom Prairie to Uvalde to Washington and back to Uvalde.

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[From the Dallas Morning News, Nov. 8, 1967]

EX-VICE PRESIDENT NOTED FOR HIS COLORFUL SPEECH

UVALDE, TEX.—Cactus Jack Garner was noted for his salty speech.

Some "Garnerisms":

"I'm not a manana man" in 1952 when he donated his Uvalde estate to the city and moved into a smaller, adjacent home.

"Just put me down on the lazy, no-account list"—in 1954 when he sold his stock and retired as a director of the First State Bank of Uvalde.

"Going to the White House would be like going to jail for four years"—summing up the presidency.

"I am vice-president of the United States. You'd better stick around a while—you might pick up some new ideas"—on being introduced to a circus clown.

"There are two kinds of liars I'd call tolerable. That's the hunting kind and the fishing kind."

"When I entered Congress the autocratic leaders of the party thought I was just another cow thief from Texas."

"Every time one of these Yankees gets a ham, I'm going to do my best to get a hog"—on federal appropriations.

"I am a soldier and my duty is to follow where the commander leads. I accept the rules of war laid down in the platform"—on accepting renomination in 1936 as vice-president.

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[From the Dallas Morning News, Nov. 8, 1967]

TRIBUTES TO GARNER PAID IN WASHINGTON

(By Karen Klinefelter)

WASHINGTON.—President Johnson Tuesday led Washington officialdom from both sides of the political aisle in mourning the death

of Former Vice-President and House Speaker John Nance Garner of Uvalde.

Flags at the Capitol where he served for some 30 years as a Texas congressman flew at half mast and members of Congress paid tribute to the leader who vowed a quarter of a century ago never to return here.

Garner, known as "Cactus Jack," left Washington and Franklin D. Roosevelt's administration in 1941 after breaking with Roosevelt over the third-term issue. He remained true to his pledge never to set foot here again.

The President said that the nation joins the people "of his beloved Uvalde in mourning the loss of one whose determination and joy of life were an inspiration to so many generations of Americans."

Noting that Garner would have been 99 years old in only 15 days, the President said, "Few are given so long a time, and fewer still have used their years to such advantage. Few men in history had more experience in government nor more respect from his colleagues during his long career in public service."

White House Press Secretary George Christian said that Washington commitments would probably prevent the President from attending the funeral.

There is expected to be a sizable delegation of Texans in Washington heading for Texas for the funeral, however.

During a day punctuated with eulogies, veteran congressmen who served with Garner here noted the Texan's legislative abilities and his saltiness that brightened Washington.

House Speaker John McCormack, D-Mass., called Garner "not only an outstanding legislator, but a great American."

And Rep. Wright Patman of Texarkana, who served four years with Garner before the latter was elected as Roosevelt's vice-president, told fellow congressmen that Garner "was a warm personality who brightened Washington for so many years.

"Those of us who had contact with him cannot forget his great sense of humor and his willingness to consult with and guide the freshmen members of Congress. Americans lost a great man, a great statesman and a wonderful human being."

Rep. George Mahon of Lubbock paid tribute to Garner's "legislative finesse, his down-to-earth ideas of government and his homespun philosophy."

Garner's death was announced in the house by Rep. O. C. Fisher of San Angelo, Garner's congressman.

Fisher noted Garner's devotion to the House and quoted the former speaker as saying, "When I switched from speaker to vice-president, it was the only demotion I ever had."

The San Angelo congressman also recalled that Garner "belonged to the old school of rugged individualists who believed in the principal of balancing the ledger on Saturday night. He was the straight-forward common-sense type of individual who was an accomplished student of politics and a leading influence for the cause of good government."

Sen. Ralph Yarborough, who said that Garner was his counselor and advisor over the years, stated that Garner "symbolized frankness and the direct approach—there was never any doubt about where he stood. John Nance Garner was free of guile, as direct and true as the frontier which produced him."

Sen. John Tower said he was shocked about Garner's death, for he visited with him only two weeks ago and they joked about plans for Garner's 99th birthday Nov. 22.

"We in Texas had come to regard Mr. Garner as virtually indestructible . . . it is the measure of this man that in his later years his interests turned to his native country and especially to the growth and success of its education system, particularly Uvalde Junior College."

One congressman whose 44 years in congress included service with Garner, Rep. Emanuel Celler, D-N.Y., called Garner "a picturesque political figure . . . a wise and wary speaker, a faithful vice-president . . . and an excellent raconteur."

Celler recalled that Garner once told him, "I'll live to be 100 if it kills me."

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GARNER CREATED DISTRICT FOR SELF

AUSTIN.—John Nance Garner's stay in Austin was brief but to the point.

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He knew there was only one quick step-ladder to big time politics in the nation's Capitol—that was a congressional district including his own county.

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They began a tooth and toenail campaign. Where Garner went, also went Dibrell. They staged debates so heated that whole towns are reported to have shut up shop and turned out to listen.

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[From the Dallas Morning News, Nov. 8, 1967]

TIME JOHN L. LOST TEMPER RECALLED

UVALDE, TEX.—Two major incidents surrounding John Nance (Cactus Jack) Garner still are fresh in the minds of political observers nearly three decades later.

One is Garner's break with President Franklin D. Roosevelt. The other is the time John L. Lewis lost his temper.

That and the love Texas had for the crusty statesman.

The John L. Lewis incident came during a House Labor Committee meeting. Lewis claimed Vice-President Garner was the leader of opposition to changes in the Wages and Hours Law which Lewis wanted.

At one point, the United Mine Workers' president flailed out and called Garner a "labor baiting, whiskey drinking, poker playing, evil old man." That remark was probably quoted more than anything Lewis ever said.

Conservatives everywhere considered that the attack added luster to Garner, in that it was Lewis who said it.

Although Garner never publicly sought to counter the statement, his friends pointed out that a man who went to bed each night at 9 p.m. could do very little drinking or poker playing.

Garner called friends together in his office at the end of the daily congressional sessions for what he called a convention of the Board of Education.

He poured a drink for everyone at 5 p.m., another at 5:30 and another at 6, and then capped the bottle. He said that was all a man should drink.

Years later, Garner said, "I think what he (Lewis) said did me as much good as harm."

Garner ran twice for president. The first time, he turned his votes over to Roosevelt and accepted the No. 2 spot on the ballot. It was a stroke of political genius—to combine on one ticket the intellectual, liberal Roosevelt and the conservative, practical banker-rancher.

The first great break between the two came over sit-down strikes, a technique of the Committee for Industrial Organization whereby workers struck plants by sitting down inside them, sometimes for weeks.

To Garner this was illegally taking possession of property and he became incensed that Roosevelt did nothing about it.

He again clashed with Roosevelt when the New Dealer wanted to pack the Supreme Court, which had invalidated many of Roosevelt's New Deal programs.

The real break came, however, when Roosevelt decided to run for a third term.

Said Garner, "A president in his third and successive term may not be a dictator but he is the first cousin or half-brother of one and he will perform like one."

Garner came to Texas after the break but returned for the inauguration of 1941. In the meantime, he announced he would accept a presidential nomination in 1940 and immediately hopped in a car to go deer hunting for four days. But nothing could be done about winning the nomination against Roosevelt's high popularity.

The vice president left Washington after the 1941 inauguration and never returned to the capital.

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[From the Houston Chronicle, Nov. 9, 1967]

FRIENDS GATHER FOR FAREWELL TO GENEROUS GARNER

(By Bo Byers)

UVALDE.—John Nance Garner, as vice-president, once asked President Franklin D. Roosvelt "do you want it with the bark off or the bark on?"

The president didn't understand. Garner explained that in Texas the phrase "with the bark off" meant the plain truth without any adornment.

Today, as friends and admirers gathered to pay final tribute at Garner's funeral, they talked "with the bark off" and the plain truth seemed to be this: Garner was a crusty direct talking, generous man whom the people of Uvalde loved and honored—as much for his simplicity of manner and independ-

ent judgment as for the high office and great wealth he attained.

The funeral ceremony, a simple one as Garner wished, was scheduled for 3 p.m. at Frazar Funeral Home.

No eulogy was planned by the Rev. Romilly Timmins, but the 11 a.m. memorial ceremony at Uvalde High School brought tributes particularly for Garner's contributions to education.

Speakers were Dolph Briscoe Jr., rancher, banker and former state representative, and President Wayne Matthews of Southwest Texas Junior College, to which Garner donated nearly $1 million over the past nine years.

"I'd think there would never be another one like him," Briscoe said of Garner.

"He was a great statesman, and his life of public service was dedicated to the preservation of the highest traditions of our American democracy."

"CUT RIGHT THROUGH"

Briscoe recalled Garner as a man who could "cut right through it when he said something."

Matthews read a tribute on behalf of the junior college, expressing appreciation for Garner's philanthropies.

"His generous gifts in scholarships and buildings to this college was a farsighted investment that will live on in the youth of this area, state and nation," Matthews said.

"More than this, the Honorable John Nance Garner bequeathed to us and to this nation a rugged individualism based on integrity, love of his fellow man and common sense.

"We honor the memory of our friend, John Nance Garner, and pledge to hold high those principles by which he lived to help make America great."

BANK STOCK

Garner's contributions to the college included stock in eleven banks throughout the state, $175,000 in cash gifts, and $25,000, matched by an equal amount from his son, Tull Garner, for a scholarship fund in memory of Garner's wife, Ettie Rheiner Garner.

Garner said on the occasion of a $25,000 presentation, May 17, 1961, "everything I have was obtained in this area, and I want to give it back where it came from."

He was a multimillionaire, owning more than 50,000 acres of ranchland, which he leased for operation by others. He owned a major part of Uvalde's business district and other rental properties. He helped organize the First State Bank of Uvalde in 1907, later became its majority stockholder, which role he maintained until he retired from the bank in 1952.

NOT OSTENTATIOUS

Few outsiders would have guessed Garner was a man of wealth. His favorite garb for many years after he left Washington and the vice-presidency in 1941, was a khaki shirt and khaki trousers. His habits were simple, he rose at 6 a.m. and went to bed promptly at 9 p.m. through most of his life. Until his strength declined about six years ago, he loved to sit out in the sun, shelling pecans that fell from the trees on his property. He would give a favored visitor a bag of shelled pecans to take home to the wife.

There was little advance indication today that many persons of high position would attend the funeral for this man who lived almost to age 99. (His birthdate was Nov. 22, 1868.)

HOPE FOR PRESIDENT

Despite word that President Johnson would be unable to come, there was expectation among many that the President might change plans.

U.S. Sen. Ralph Yarborough was reported en route to Uvalde.

Whether Gov. Connally would be present was not known. Texas House Speaker Ben Barnes was expected, as were several congressmen.

Public schools and the junior college were dismissed at noon.

Most business houses were to close in the afternoon.

Steady drizzle, bringing three inches of rainfall the past two days, accentuated the solemn atmosphere of Uvalde as people came, a few at a time, to pay final respects to the city's No. 1 citizen as he lay in state.

Approximately 300 had signed the visitor's register by early Thursday.

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[From the San Antonio Light, Nov. 8, 1967]

JOHN N. GARNER

He fell short of the century mark that had seemed within his reach, but John Garner had seen enough history to satisfy any man and, at that age, death comes as a reward instead of a penalty.

He was born during the administration of Andrew Johnson. When he died, the President again was named Johnson. In all, Mr. Garner lived under more than half the Presidents who have served the United States in its entire history.

He was born before the golden spike was driven in Utah to celebrate the junction of railroads that spanned the continent. And by the time of his death, passenger trains in many parts of Texas had become scarcer than space vehicles.

John Garner, like so many public figures, was different in reality from the image that politics had given him and to which his own candor and honesty had unwittingly contributed.

The important clues to his character were far removed from the salty language or the personal habits which made colorful "copy." The real Garner was the Vice President who was loyal to the man for whom he had been king-maker, but who put the welfare of his country above personal allegiance.

John Garner might have occupied the White House himself, if he had not left Washington in protest against a third term for Roosevelt.

His self-sacrifice was the act of a true patriot.

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[From the Dallas Times Herald, Nov. 8, 1967]

JOHN N. GARNER

Had he allowed pragmatism to prevail over principle, John Nance Garner might have become the first Texan to accede to the presidency through the route of succession. But Cactus Jack Garner, after two terms as Franklin Roosevelt's vice president, broke with his chief over the issue of the third term and arbitrarily retired himself from politics—a little more than four years before FDR died in office and Vice President Harry Truman became president.

The decision to retire, which fate assigned greater significance later, was typical of salty, earthy and straightforward John Nance Garner. He preferred self-ordained obscurity to compromise on a vital issue. Thus he became the political patriarch of Texas Democrats, sitting under the trees and receiving friends, both local citizens and nationally famous politicians, in an atmosphere of rustic conviviality.

Garner brought distinction to his native state as the first Texan to achieve such high national office, and he served with quiet loyalty during difficult depression years. The concept of the vice presidency has changed dramatically in the quarter century since he left the office—and Garner viewed it narrowly even for his day. He had the distinction of being the only vice president not to make a single formal speech while in office (an idea that boggles the mind today)—but here again he hewed solidly to his view that the best vice president should be a loyal shadow to his boss.

One of the rare instances when the colorful Garner did not manage to invoke his stout will on events was on the matter of longevity. He had long vowed to live to be 100, but fate again intervened when he was a few days shy of his 99th birthday. Nevertheless, his remarkable tenure on earth provided a fitting climax for a life of public service matched by a strong sense of personal honesty and duty. He is sure to be toasted by admirers of rugged individualism whenever bourbon glasses are raised to "strike a blow for liberty."

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[From the Houston (Tex.) Chronicle, Nov. 8, 1967]

"CACTUS JACK" WON'T BE DUPLICATED

American politics will probably never again see a man quite like John Nance Garner, for "Cactus Jack" was the product of an era in our nation's history which no longer exists. He was the embodiment of what we have come to call the frontier spirit, and there is much in that which is good. Salty, colorful, honest, practical, plainspoken, love of courtesy, ruggedly individualistic. These were the qualities which made Garner great.

In this jet age it is hard to conceive of a vice-president who, during two terms in office, never made a public address. He served under President Franklin Roosevelt, and Garner explained simply that the President, not he, was the nation's spokesman.

Garner spent 46 years in formal service. He served longer in Congress, then as vice-president, than virtually any of his contemporaries. He was an expert in tariffs and taxations. But when he decided to quit in protest to Roosevelt's third term, he vowed never to return to Washington. He kept that vow, living out the rest of his life in active but quiet retirement in Uvalde.

John L. Lewis once called Garner "a labor-baiting, poker-playing, whisky-drinking, evil old man." There was truth to the description, except that it's hard to see Garner as evil. A tough fighter for the things he believed in, yes. Evil? No.

Garner was born just a few years after the Civil War ended. He first went to Congress in 1903 when the nation had a population of 77 million and federal expenditures amounted to less than a billion dollars a year. During the long, important years which followed, he helped guide this nation's future.

For a man not given to public speech-making, Garner's wise comments about life and politics were widely quoted. He once said that if school teachers spent the first five minutes of every day teaching the value of character and honesty and truthfulness as the basis of character, there wouldn't be any juvenile delinquency.

On the occasion of his 90th birthday, he broke a six-year lapse in speech-making to say: "I love everybody . . . I haven't any hatred in my heart."

Texas and the nation revered John Nance Garner not only for what he achieved in life, but also for the qualities of character and unadorned virtues which he represented.

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[From the Dallas Morning News, Nov. 9, 1967]

JOHN NANCE GARNER

Political skill carried John Nance Garner from a Texas log cabin to the second-highest office Americans can bestow. But when politics conflicted with principles which the vice-president held dear, he chose to return to his pecan-shaded acres at Uvalde, never again to participate actively in politics.

This story will be told many times as final rites are held for Garner. More than a quarter-century of self-imposed exile has dimmed the details in the memories of most Americans. We can be sure, though that the man who was called "Mr. Democrat" will have earned a place in history by being, first of all, "Mr. American."

A good soldier who obeyed the orders of

his chief, Franklin D. Roosevelt, Garner watched with growing dismay the policies which FDR advocated. Vice-President Garner believed in fiscal soundness. He felt that it was wrong to attempt to pack the Supreme Court. He opposed recognition of Soviet Russia. He was alarmed by labor's sit-down strikes and the failure of the president to stop them.

Finally, Garner feared the consequences when Roosevelt's ambition caused him to run for a third term. His fears were voiced in these words, "A president in his third and successive term may not be a dictator, but he is the first cousin or half-brother to one and will perform like one." So he chose not to be a third-term vice-president and became to many Americans the symbol of firm commitment to basic beliefs of his democracy.

Bitterly opposed by some, feared by many whose schemes he fought and usually defeated, Garner was loved by far more Americans who admired his strength in behalf of those fundamentals which he and they believed to be basic. He ably represented his district and state and served his country long and well.

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[From the Anderson (S.C.) Independent, Nov. 10, 1967]

REQUIEM FOR AN OLD-TIME DEMOCRAT WHO HELPED FATHER A "RADICAL" IDEA

Yesterday in Uvalde, Tex., they laid to rest John Nance Garner, former Vice-President of the United States who played a leading role in the late President Franklin Roosevelt's first two New Deal terms.

Death came to the rugged old Texan at age 98. He died a little less than 27 years after he left Washington in January, 1941, vowing never to cross the Potomac again.

"Cactus Jack," as the pundits like to call him, broke with Roosevelt when the latter decided to seek his unprecedented third term. True to his word as always, Garner never crossed the Potomac again.

His break with Roosevelt over the third term issue served, as the years passed, to obscure the fact that John Nance Garner was in the 1920's the leader of the "radical" wing of the Democratic Party.

He was a constant thorn in the Hamiltonian hide of Andrew W. Mellon, the multimillionaire who served as Secretary of the Treasury through the Republican administrations of Harding, Coolidge and Hoover.

Garner, as a Democratic wheel in the House, and Mellon had been on collision course for several years. The collision occurred when the House took up the Revenue Act of 1924.

Mellon drafted the act in true Hamiltonian fashion, the basis being that when the rich prosper the poor eventually enjoy "their proper proportion" of the rich's prosperity—the "trickle down" theory still favored by the curators of bedrock Republican philosophy.

Garner, who was born in a log cabin in rugged rural Texas of parents whose roots were in Jacksonian Tennessee where Jeffersonian principles prevailed, took the view that the wealth of the country should be more evenly distributed.

Why, he asked should taxes be less for those already rich and more for those who are poor?

He had taken the same position when the income tax principle was incorporated in the Constitution in 1913, but the wealthy were in the political saddle and successfully kept the dampers on the Garner idea of a graduated tax.

Mellon's Revenue Act of 1924 proposed postwar tax cuts ranging from 25 per cent in lowest brackets up to 39 per cent in higher brackets. Garner proposed a 60 per cent cut in lower brackets, ranging down to 11 per cent in the highest brackets.

Republicans called the Garner plan "socialistic" and predicted disaster. After a two-week debate, with Garner leading the fight on the House floor his plan was adopted by a vote of 221 to 196 in a Republican-controlled House.

In years to follow, Wall Street denounced him as a "demagogue" and Wall Street interests, especially the utilities, poured money into his Texas district in several unsuccessful efforts to defeat him.

On the other side of the coin, organized labor also hated Garner. The late John L. Lewis, United Mine Workers tycoon, once called him a "labor-baiting, whiskey-drinking, poker-playing, evil old man."

Whiskey drinking he was (he quit at age 90 with his eye on living to be 100) and poker-playing he was (he is reputed to have won $15,000 off colleagues—including well-heeled Republicans—during one session of Congress) but evil he wasn't, and he had high respect for the laboring man but none for swivel-chair unioneers.

Even though he never returned to Washington after 1941, John Nance Garner's work in Congress—especially his "radical" income tax ideas—have directly influenced the stability and prosperity of the nation.

He was a last link between post-Reconstruction America and the present and one of the shapers of a nation's destiny whose name looms large in the history of his times.

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[From the Evening Star, Nov. 16, 1967]

"CACTUS JACK" ROBUST INDIVIDUALIST

(By Ralph McGill)

Once upon the time, L. W. (Chip) Robert, then assistant chairman of the Democratic National Committee, encountered me in a Capitol corridor in Washington and asked: "Would you care to go down and strike a blow for liberty with Jack Garner?"

It was the Vice President's pleasure and custom to have old friends and closer cronies in the calm of late afternoon, to sit around and talk and have, if they wished, as most did, a drink or so of sour mash bourbon whisky.

Indeed, it was this custom along with others, that later led the Puritan Welshman, John Llewellyn Lewis, to speak angrily of the vice president as a mean old card-playing, whisky-drinking, evil man. It was a part of the times that "Cactus Jack" took this as a great compliment and thanked the Welshman for so nicely describing him. Garner was not, of course, a mean old man. He was, however, a cantankerous, opinionated one.

On the afternoon when I was present with his friends striking a blow for liberty, he was a genial, thin man with a pleasant gift for story telling and for gusty, loud laughter. His language was salty and plain. It was interesting even then to look at him and know that his life touched some of the pioneer history of Texas. He and Sam Rayburn and President Lyndon Johnson all had family roots deep in the Lone Star State. Like Rayburn and the President, he served a long apprenticeship. He was a congressman for 30 years. He was the only man in our history to walk from the House, where he was speaker, to the Senate to preside there as vice president.

Garner was an individualist. His political career reveals it. He was basically a conservative, but he could, and did, make common cause with many of the reforms of the New Deal, which shook the conservative structure of the nation. The "establishment" could not really fight back, since the policies of the financial markets and international trade, plus the folly of high tariffs, had destroyed the conservative power.

Garner, for example, was one of those who strongly supported legislation that would give the Congress more power over industry and that would redefine the Commerce Department's power to include everything that affected the stream of commerce.

Garner was approached by financially powerful men who asked him to intercede and try to soften the new regulations applied to holding companies. These companies had contributed some of the more unconscionable stories of reckless use and loss of the public's invested money that came to light after the crash that began in late 1929.

"They have brought it on themselves," the vice president replied. "They cannot be permitted to go on as they were."

Jack Garner was, in the context of 1932, relatively liberal and sensible on the race issue. It was this fact which, in part at least, led Franklin D. Roosevelt to select him as his running mate in 1932.

In that campaign leading Republicans, including a number of holy men, divines, attacked Roosevelt for communism. Joseph Kennedy, whose son later was to become President of the United States, and Jack Garner were among men of position who forthrightly struck back at such idiocies. ("You might as well suspect atheism in a cathedral as communism in . . . Hyde Park.") At other times Garner used his wit and prestige to denounce the business leadership that had developed such an unreasoning, violent hatred for Roosevelt.

Garner left Washington in 1941. He said he had had enough of politics and public life. He would go back to Texas and stay there until he died.

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## POLITICAL EQUALITY OF WOMEN ENRICHES AMERICAN NATIONAL LIFE

Mr. PROXMIRE. Mr. President, one of the more important recent developments in our country has been the emergence of women from second-class citizens to full participants in our national life. At the time of the founding of our country, many fine and noble statements were made about the unalienable rights of man. And our forefathers worked hard to secure these rights. But too often, women were left out. Too often they had the status of servants not citizens. Women could not vote, and, of course, they could not hold public office. It is less than 50 years since the 19th amendment to our Constitution giving women the vote was ratified.

But the women of the Nation, once freed from their subservient role, have made a substantial and lasting contribution to our national life. We are a stronger nation today because we have finally agreed that women have the same rights as men. The United States is a far better country for its decision to unshackle women and grant them full political equality.

Mr. President, the history of our own country dramatically shows the need for the ratification of the Convention on the Political Rights of Women. History clearly indicates that it is only recently in even the most advanced nations that women have been given equal rights with men. This means that rights for women is a relatively new phenomenon and needs all the help it can get to become firmly established not only in our own Nation but also in the world at large.

But an even more convincing argument for the ratification of this convention is the condition of women in many countries. Each one of us is aware of the wretched conditions under which many of the women of the world exist.

Women in this country were once

treated as servants, women in many countries today are treated as slaves, often they are sold as such. Even more women have no right to vote or hold public office.

But I do not wish to criticize other nations. Indeed, many have a better record in the international struggle for political equality of women than we do. India is a prime example. Here is a country which has ratified this convention and which has really striven to give women their rights. What makes this so amazing is that for centuries women in Indian society had few if any rights. Other nations who have just recently gained their independence have striven to guarantee women their full political rights. For many countries, fighting centuries-old traditions, this is a difficult task. They look for encouragement and example to the U.N. and the Convention on the Political Rights of Women. But when they look at this convention, they do not find the name of the United States.

The Senate needs to set an example for these new nations and to help secure the position of the rights of women. This we can do by the very simple means of ratifying the Convention on the Political Rights of Women.

## MODEL CITIES

Mr. DODD. Mr. President, it was with enthusiasm that we supported, and voted for, the model cities program.

It was with happiness that we learned that 63 areas had been selected to share in the $11 million in planning grants which Congress had appropriated for the program for the current fiscal year.

It was with particular gratification that I learned that, among these cities, were the three largest cities in the State of Connecticut—Bridgeport, Hartford, and New Haven.

It is as much on the basis of fact as on the basis of pride that we can promise that, judged by their own performances in this vital war on slums, no cities offer greater promise than these that the funds will be used judiciously and with dispatch.

In prideful keeping with Connecticut's rugged, pioneering spirit of self-help, all three of these cities have already won many important battles in this war.

These Federal grants will do much to enable them to move more rapidly toward the goal of total victory over the enemy that is the slums; the enemy which, too long, has been permitted to breed the great problems which, today, strike massive blows at the very foundation of this Nation.

Hartford will use its grant for a plan to convert, from slum to model, two neighborhoods: One in the South Arsenal-Clay Hill area, the other in the Charter Oak-South Green region. Together these areas include 22,000 human beings and 465 acres of ground.

New Haven will use its grant for a plan to convert, from slum to model, the Hill neighborhood. This area includes 22,000 human beings and 6 percent of the New Haven land area.

Bridgeport will use its grant for a plan to convert, from slum to model, a 227-acre tract in which live, under generally substandard conditions, 10,100 human beings. This is a pathetic area bounded on three sides by water, on the fourth by a railroad, with the poor land's use heavily industrial along two boundaries, and a depressing intermixture of commercial and residential in the rest.

We congratulate Mayor Hugh Curran, of Bridgeport; Mayor Richard Lee, of New Haven; and the former mayor of Hartford, George Kinsella, for the outstanding, foresighted work which they have put forth to qualify their cities for these valuable grants designed to plan for the improvement of our Nation, our State, and our people, through improvement of the conditions in the cities in which they live.

We assure Mayor Frederick Palomba and the people of Waterbury that we share their disappointment that their city was not included in this first planning grant. We promise them that we shall continue to do everything in our power to assist them in any way that we can, in an effort to help Waterbury receive a share of the next such grant.

We assure our distinguished colleagues in the Senate that, even as we have herein expressed our understandable interest in efforts by Connecticut's cities to eliminate the slums and enrich the people, we remain interested in the similar efforts of the cities of their great States as well.

As we see it, Mr. President, this really is a matter of, "as goes one city, one State of this vast Union, so goes that Union."

This, then, as we see it, is a team effort, and we continue proud to be a member of that team.

It has been in that spirit that we have worked and voted with our distinguished colleagues in connection with this Model Cities Act which is now beginning to bear fruition. It has been in that spirit that we have also worked with them in the interest of their cities and their people in our capacity as chairman of the Subcommittee on Juvenile Delinquency. In that subcommittee we have devoted intensive efforts for the study and investigation of the causes of the problems of the cities and of the terrible results of those problems. We have sought to find remedies for those problems and prevent their results in the days to come.

It was against the vital background of much ascertained from the subcommittee's findings that we supported and voted for the model cities program. We did so in confidence that it did much to address the essentiality of rapid, determined progress toward the building of "model citizens" via the building of model cities.

In this troubled area in which we find so much cause for concern about juvenile delinquency and crime, these cities and these model cities grants offer our brightest rays of hope for diminution of both of these evils.

For that, I find cause to be particularly grateful.

## THE SECURITY OF SOCIAL SECURITY

Mr. McGOVERN. Mr. President, if the experiences of other Senators in the past few weeks have been similar to mine, I am sure every Member of this body is thoroughly acquainted with the article "How Secure Is Your Social Security?" that appeared in the October issue of Reader's Digest. I have received dozens of letters from older Americans expressing great concern over the possibility that their social security payments are about to end because the system is on the brink of bankruptcy.

The publishers of the magazine may be gratified to hear this indication of the extent of their readership. I should think, however, that they would instead feel a great deal of regret for having lent credence to the cause of so much needless worry among the millions of people who are now drawing social security benefits or who will draw them in the future.

So far as I know, the author of the article, Mr. Charles Stevenson, can boast of no qualifications as an expert on annuities or on the social security system. He may have begun his cursory investigation with conclusions already firmly in mind. He has compiled a series of innuendos and falsehoods about the security of the trust fund, the rights of recipients, and the opinions of qualified authorities in order to support his case. As a consequence, his findings and his recommendations are erroneous. He suggests a "blue-ribbon commission" to study the system, for example, in apparent ignorance of the fact that since 1956 the social security law itself has provided for studies by advisory councils composed of independent experts in the field.

There is a clear and definite need for a continued close watch by the press over Government programs and policies. Criticism is an absolute necessity in a democratic system. But Mr. Stevenson's method of reporting serves no constructive purpose.

Because of the great concern that did exist in my State over the article, I have done the best I could in recent weeks to set the record straight through radio broadcasts and public statements. I am pleased that the Sioux Falls Argus-Leader, South Dakota's largest daily newspaper, joined in the effort to allay the fears of citizens in my State through an excellent editorial which was reprinted in a number of other newspapers. I ask unanimous consent that the editorial and my press release of November 13 on the subject be printed in the RECORD.

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

[From the Sioux Falls (S. Dak.) Argus-Leader]

WISE STATEMENT ON SOCIAL SECURITY

Sen. George McGovern of South Dakota was well advised in his sharp criticism of a recent article in Reader's Digest about Social Security.

"After a careful review," said McGovern, "I have concluded that as far as Social Se-

curity is concerned, the Reader's Digest doesn't know what it is talking about."

The Digest article contended that the Social Security system was unsound and that younger persons now making payments wouldn't receive returns commensurate with their cost.

Careful actuarial surveys discount both charges. The resource behind Social Security is that of the bonds of the government—a resource similar to that behind much of the resources of countless private annuity and insurance companies as well as banks and trust companies.

The other phase of the charge—that of returns to the participants—is similarly misleading. Objective surveys reveal that the individual will receive a protection substantially worth while and better than that available from other sources.

What is disturbing about the Reader's Digest article is that it arouses uncertainty where none should exist. McGovern performs a useful service in discounting the accuracy of the Digest's contentions. It may be added that the U.S. News and World Report recently printed an exhaustive review completely in harmony with the McGovern statement.

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PRESS RELEASE OF SENATOR GEORGE MCGOVERN, OF SOUTH DAKOTA, NOVEMBER 13, 1967

MITCHELL.—Senator George McGovern said today that an article on Social Security in the October issue of Reader's Digest is "false from beginning to end."

"After a careful review, I have concluded that as far as Social Security is concerned the Reader's Digest doesn't know what it is talking about," McGovern said.

The Reader's Digest article contended that the social security system is unsound because it has not protected its reserves and is throwing them into the Treasury's general fund.

These contentions are "simply not true," the Senator said.

"I can assure my fellow South Dakotans that the Social Security system is soundly financed and that both present and future beneficiaries of Social Security will get the full measure of benefits provided in the Social Security law," McGovern said.

One of the authorities upon which he relied was Representative John Byrnes of the House Ways and Means Committee, who the article said is profoundly alarmed about the basic design and fiscal integrity of the social security program. The truth is that Congressman Byrnes, the ranking Republican on the Ways and Means Committee, is a co-sponsor of the Social Security increase bill that is presently before the Congress. During House debate on the bill he said, "Everyone paying taxes today can do so with the knowledge that he is participating in a sound program of social insurance which will provide commensurate benefits in the event of his death or disability."

Social Security has been repeatedly and intensively studied to determine its financial soundness since it first became a law in 1935. In addition, to at least four independent councils of experts, the Congress has scrutinized the program carefully each time extensions or modifications have been proposed. We are doing so right now, and all the evidence points to the conclusion that it is wholly sound and completely secure," McGovern said.

"The Reader's Digest article contended that social security puts a 'squeeze on the young'. This is not true. Young people now contributing to social security will get insurance protection worth 20 to 25 percent more than they will pay into the program. This is the case now and the same will be true under the proposals now pending before Congress," McGovern said.

"In evaluating social security, it should be kept in mind that it not only provides retirement income but also survivors and disability insurance. For example, if a man earning $550 a month with a wife and two children were to die at age 35, his family could receive $56,000 in survivors benefits. If the man were to become disabled at age 35, he would draw $59,000 in disability insurance."

"Social security is a sound and worthwhile investment for the young and old," McGovern said.

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## OKLAHOMA'S SUPERIOR FOOTBALL PLAYERS

Mr. MONRONEY. Mr. President, I had intended to let the matter rest until after New Year's Day, but the daily newspapers keep reminding me of the superiority of Oklahoma football players.

Therefore, I invite the Senate's attention again to a fine young man who has done great service and earned much respect for his team, his university, and his State.

The "lineman of the year" was named yesterday by United Press International, and the overwhelming choice was Granville Liggins, of the University of Oklahoma.

Senators will recall that last week Mr. Liggins—"Granny," as he is called by his teammates—was selected All-American by all the major polls, and now his selection as lineman of the year demonstrates just how great an All-American football hero he is.

Mr. Liggins is an Oklahoma product. He was graduated from Booker T. Washington High School, in Tulsa, and is the first Tulsan to be named to the first team in the major All-American selections.

In addition to being outstanding on the football field, this young Oklahoman has distinguished himself on the wrestling mat. Last year he won the Big Eight Conference's heavyweight championship.

I invite Senators who have not had the chance to see Mr. Liggins or the Oklahoma Sooners in action this year to watch the Orange Bowl game on New Year's, when Oklahoma overhauls Tennessee.

Mr. President, I ask unanimous consent that an article entitled "UPI Picks Liggins Lineman of Year," published in the Washington Evening Star of December 5, 1967, be printed in the RECORD.

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

OKLAHOMA SENIOR: UPI PICKS LIGGINS LINEMAN OF YEAR

NEW YORK.—Granville (Nose Guard) Liggins of Oklahoma has a computer-like mind that can read offensive patterns in the tick of a split second and destroy the big play.

For this phenomenal ability that elevated Oklahoma to the Big Eight title and a berth in the Orange Bowl, Liggins was named Monday the United Press International Lineman of the Year for 1967. He drew 38 votes from a panel of sportswriters and sportscasters.

Liggins is a 21-year-old senior who weighs 220 pounds and stands an inch under 6 feet. His fantastic mobility previously earned him a berth as a middle guard on the UPI All-America team and brought praise from both the Oklahoma coaching staff and rival Big Eight mentors.

Liggins' latest achievement was announced after Oklahoma beat Oklahoma State for a 9–1 record and helped Sooner Coach Chuck Fairbanks enjoy instant success in his rookie season.

Bob Johnson, a Tennessee center, was runner-up to Liggins in the Lineman of the Year balloting with 23 votes. Defensive tackle Kevin Hardy of Notre Dame, out for part of the season with an injury, received 19 votes from the selectors.

Offensive tackle Ron Yary of Southern California was fourth with 17 and a fifth-place tie at 12 existed between middle guard Wayne Meylan of Nebraska and defensive end Ted Hendricks of Miami (Fla.).

"Liggins has been a completely outstanding player for us all season," Fairbanks said of his prized charge. "He's a leader in his own way."

From a frightened weakling to a lineman who plays "nose to nose" with the opposing forwards so he can knife through with quick thrusts, Liggins emerged as one of the outstanding college football players in the nation this year.

"I wish I had 10 more like him," muses Pat James, Oklahoma's defensive coach. "He's the best at doing what we ask him to do I've ever seen."

Liggins' next appearance will be against Tennessee in Miami's Orange Bowl New Year's night.

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## TRIBUTE TO BOB BYRNES, DISTINGUISHED JOURNALIST OF THE HARTFORD COURANT

Mr. DODD. Mr. President, when the next session of the Congress rolls around in January, we shall be without the excellent services of Bob Byrnes, Washington correspondent for the Hartford Courant.

Bob Byrnes has had a full and rewarding 50-year career as a journalist. He has covered Washington activities for the Hartford Courant for 24 years. Before that, he was a political, editorial, and legislative reporter for the Courant at its home office.

Bob's journalistic roots are deep, indeed. His career began in 1917 when, as a 17-year-old Trinity College student, he was appointed campus correspondent for the Hartford Times.

Throughout Connecticut and Washington, Bob Byrnes has a reputation as an unusually fair, objective, and responsible newsman. In pursuing a story he never leaves a stone unturned. Frequently he can be found working late in his National Press Building office.

Everyone in the country who knows Bob Byrnes knows that he is an honest reporter, highly intelligent, and a man whom all of us love. We shall miss him very much in Washington. He is not a spectacular man, but he is diligent and honest, and I wish to pay tribute to him on the floor of the Senate today.

I have known and worked with Bob Byrnes since my days in the House. I am happy to wish him well in the semiretirement that he plans for himself. Like his many friends in Congress, I shall not forget him.

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## GOVERNOR ROMNEY ANALYZES THE PROBLEMS OF THE UNDERDEVELOPED NATIONS AND THE CHALLENGES TO AMERICAN FOREIGN POLICY

Mr. PEARSON. Mr. President, this morning Gov. George Romney delivered a major address at Kansas State University in Manhattan, Kans., as a part of that university's distinguished Alf Landon lecture series.

The subject of Mr. Romney's comments was the problems of the under-

developed nations and an assessment of America's role in assisting in resolving these problems.

Mr. Romney opened his address with the following statement:

One of the greatest international challenges facing us today is the huge difference in living standards between the rich, industrialized northern nations and the poor, underdeveloped southern peoples.

I endorse that view because I think there is little question that the great and growing gap between the rich and poor nations of the world will constitute the greatest threat to international peace and security in the years ahead. If progress is not soon made in narrowing that gap, present international problems will be magnified many times over.

Mr. Romney points out that our foreign aid program is in need of major overhaul, but he also wisely emphasizes that continued American foreign aid will be necessary in the future. He also emphasizes the vital importance of international trade between the rich and poor nations. For if the rich nations were to close their doors to the products of underdeveloped nations, the economic blow to the poor nations would be disastrous.

In discussing this problem of how the rich-poor gap is to be narrowed, Mr. Romney puts particular emphasis on the necessity of involving the initiative and the resources of the private sectors in both the underdeveloped and industrialized nations alike. And he concludes his remarks with a series of worthwhile recommendations as to how this goal might be accomplished.

Mr. President, I invite the attention of Senators to these most worthwhile comments by Mr. Romney and ask unanimous consent that the text of his speech be printed in the RECORD.

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

ADDRESS BY GOV. GEORGE ROMNEY, LANDON LECTURE, KANSAS STATE UNIVERSITY, MANHATTAN, KANS., DECEMBER 6, 1967

One of the greatest international challenges facing us today is the huge difference in living standards between the rich, industrialized northern nations and the poor, underdeveloped southern peoples.

Barbara Ward has written: "The gap between the rich and the poor has become inevitably the most tragic and urgent problem of our day."

The "development gap", as it is called, is widening. The "have" nations have failed to adequately commit their vision, their will, and their resources to the task, and the "have not" peoples are losing ground.

Most Americans perceive neither the proportions of this problem nor the dangers it presents to our own interests. What we take for granted in our own society preempts our consciousness of human deprivation elsewhere. Our natural confidence about the future obscures awareness of how fragile it is. In this sense, we are isolating and alienating ourselves from the rest of the world as it really is.

In my talk today, I first want to take a quick look at the development problem—in terms of its size and national interest, and in terms of what needs to be done about it.

Then, in more detail, I will discuss U.S. aid, trade and private resources policies as they relate to development and suggest certain courses of action in these areas.

What are the dimensions of the development challenge?

The per capita gross national product of the United States is $3,240, its population 200 million. Mainland China's per capita gross national product is $85, its population 700 million. The per capita gross national product of West Germany is $1,620 and of Nigeria $80—both have a population of around 60 million. Japan and Indonesia are at roughly the same population level, but Japan is nine times better in productivity. Canada has one quarter the population and almost ten times the per citizen productive capacity of Brazil.

By the end of this century, on the present basis, the per capita income of Americans will have risen by thirty times as much as the increase in most underdeveloped countries.

The world's population may jump to well over six billion by the end of this century, with nearly five billion living in the world's impoverished regions. The annual birth rate per 1,000 people in the industrialized nations is 20. But in those countries which are already unable to feed their populations adequately it is 40 per thousand.

Underdevelopment is a single word that sums up illiteracy, poverty, hunger, disease, human misery. It breeds violence and anarchy. It presents a vacuum.

Underdevelopment is a greater danger than Communist aggression. The Communists exploit underdevelopment to spread their power and influence. They have carefully prepared for this by spreading the falsehood that the prosperity of the "have" nations resulted from their exploitation of the "have not" nations. Furthermore, they have erected a barrier to effective development by misleading "have not" nations into believing imperialism through private economic investment is as threatening to their independence as imperialism through political domination.

We must successfully attack the basic economic development problems now, or face more Vietnams later. And the dollar cost of the investment for peace is nowhere near the dollar cost for war.

If we remain an affluent island surrounded by a sea of poverty, our whole way of life will be threatened.

If the lot of the deprived peoples does not improve, and if their hopes for a better life wither, widespread violence directly affecting life in the United States would be increased.

If we—and I include our industrialized colleagues on this continent, in Europe, and the few in Asia—become the exclusive rich minority we will be dangerously vulnerable to the massive majority of the poor.

Because, generally speaking, the color line matches the division between the rich nations and the poor nations the possibilities are frighteningly explosive.

This huge underdeveloped majority would have practically nothing to lose in the struggle.

Development is necessary for peace and peace is necessary for development. Turmoil defeats progress—abroad, as well as at home. Violence perpetuates human misery by discouraging the systematic organization of resources needed to raise living standards.

But fear of instability should not be an excuse to maintain the status quo, nor can or should the revolution of rising expectations be suppressed because of the danger of disorder. It is critical that change occur, radical change, and quickly. But supporting change does not mean fomenting violence. We must guide change into constructive rather than destructive channels.

The national self-interest of America is directly, irrevocably dependent on international development. Underdevelopment represents not only threat but opportunity.

As former Treasury Secretary C. Douglas Dillon said, "it is not missiles that have made neighbors of distant countries. It is the trading system of the modern world. . . . Today's less developed nations are tomorrow's richest economic and political asset."

The continental growth of private economies depends on the expansion of international trade and markets. Prospering nations make better customers and markets than poor ones. And among prospering nations political and social problems generally have a better chance of being resolved before they develop into military problems.

From an investment and enterprise standpoint, development of the underdeveloped can be more profitable than investing in activities in areas already developed.

Here then is opportunity.

What can be done about underdevelopment?

At present, our national response is characterized by lower levels of foreign economic assistance, heightened threats of protectionism, and insignificant private enterprise involvement in the business of development.

There is a general failure of vision, will and leadership.

The total gross national product of all the industrial nations is currently $1.5 trillion per year. Only 1 percent of that in economic aid—public and private—to the underdeveloped nations would amount to $15 billion annually. That would be double the present level.

The flow of long-term capital from the haves to the have nots has remained about the same since 1961 despite a rise in national income of the richer nations.

There is no question that the industrialized nations can afford to meet the current growth needs of the developing nations without hurting themselves—in fact they can benefit themselves. In the case of the United States, our gross national product for 200 million people has increased by more than $100 billion since 1960, as compared with less than $35 billion for the more than 2 billion people in the less-developed world.

We are slipping—the gap is growing—the danger is increasing.

We must find a way to avert this potential disaster for the world. We must concentrate new energies to use the tremendous wealth and technological expertise of the affluent Northern nations to help develop the poverty-stricken southern peoples.

Bringing sustained growth out of stagnation is a plodding process at best.

It can't happen overnight. It must be conceived in terms of a generation of sustained effort.

This is no Marshall Plan exercise, to rebuild highly sophisticated industrial economies. The underdeveloped nations are starting from scratch. They face economic handicaps not found by the now developed nations during their development.

Most "have not" nations have no political tradition and little sense of nationhood. They have little base to build on, no institutional infrastructure, no large body of educated or trained manpower.

We cannot succeed if we act alone. We must be the leader largely through example.

We must not be arbitrary or impatient in our approach to the problem. Nor can we be exclusive or paternalistic. The cooperative resources of the industrialized nations should be committed to the task in a coordinated manner, and the recipient nations must effectively marshall their own resources and pull their own share from the beginning. Otherwise, there is no chance of success.

Progress-sharing partnerships between the affluent industrial countries and the underdeveloped areas should be a paramount objective of American foreign policy. This demands changes in our aid, trade and private resource policies, and needs a broad program of international cooperation.

The U.S. has not been responsive enough concerning measures to improve the terms of trade of the poorer nations. The industrial countries generally must be willing to allow the underdeveloped nations to strengthen their earnings from commercial exports.

Private enterprise embodies the very genius of the American economy and carries the contagious germ of freedom. The underdeveloped world must be exposed to the dynamic private enterprise systems of the Northern hemisphere, and a substantial inflow of private investment must be made available.

Even under the most optimistic predictions on trade reform and private resource inflow, it is unlikely that the underdeveloped nations can achieve their development goals without more foreign aid.

The foreign aid program has few friends. It has no political constituency in the United States. It has made some bad errors. It has been wasteful. It has not shown quick or certain progress. Many nations that have received our aid appear ungrateful, and worse still, even oppose our position on major international issues.

Sometimes our aid appears to shore up dictators. At other times it fills the pockets of corrupt politicians. Our military assistance and arms sales sometimes seem to encourage recipient countries to war against one another.

It is easy to criticize our aid program. It needs reshaping and continuing vigilant examination. But it is very difficult to administer an aid program in this interdependent but anti-cooperative world of today. Even so, there are some "success" stories, such as Taiwan, Israel, and South Korea. There has been isolated progress.

And it is difficult to argue that government aid is not needed, given the development needs only it can fulfill, given the effect it can have on improving the environment for the inflow of private capital, and given the important ways in which it can complement the desirable effect of trade in development progress.

I believe that the private sector must supply the bulk of the resources needed to assist the underdeveloped countries in their growth. But I also believe that our foreign aid levels have been cut below the amounts required for the necessary input of public funds in meeting the development challenge.

As a percentage of our gross national product, American foreign aid has plummeted to a level about one-half that maintained during the last years of the Eisenhower Administration. The development loans requested by the Administration for the current fiscal year amount to only 78 percent of the $975 million appropriated in 1963.

The current Administration has shown little real leadership in international development, and the foreign aid program shows it. The complaints from the White House on Congressional cuts have usually come after the fact.

In competing with other budget priorities, foreign economic assistance gets lip service and little else. Thus it is unduly vulnerable to Congressional attack; and unreasonably becomes the butt of other frustrations. Overseas, it is looked upon as uncertain and undependable.

In 1957, John Foster Dulles testified for the establishment of the Development Loan Fund, stressing that it would be devoted to "the capital needed to create the economic environment in which private initiative can come into play." The next year, he supported the principle of development loans, technical assistance, and self-help as key parts of the mutual security program, asking: "Are we so poor that we cannot afford to pay for peace and security and to continue to cultivate in the world those concepts of national independence and human liberty for which our nation was founded?"

Public monies help to improve the climate, build the institutions, and train technicians necessary to permit private enterprise to function effectively. A private investor looks for a stable governmental system committed to private enterprise, an equitable tax structure, for a reasonable system of export controls, for an educational system that can produce skilled manpower, for an adequate and reasonably cheap power supply, for a reliable transportation system, and for wider markets. The aid program, directly and indirectly, can help provide these assets.

Government aid has other programs which encourage private investment in the underdeveloped areas. Among the most important are the Investment Survey, Investment Insurance, and Investment Loan programs. The extended risk guarantee program is particularly valuable, and Congress should authorize a higher ceiling on guarantees outstanding than now exists to help get it really moving.

Technical assistance in the foreign aid program is essential for development. Capital alone can't do the job if you don't have trained men to manage your projects. New machinery will gather rust if the people are starving and don't know how to raise or procure sufficient food to feed themselves. Our foreign aid program offers technical training in a host of fields and fights the war on hunger by encouraging both local food production and family planning efforts.

The U.S. foreign aid program channels money into international institutions such as the World Bank and various multilateral arrangements.

It encourages cooperative and coordinated development assistance from other industrialized nations through multilateral organizations such as the Organization for Economic Cooperation and Development and its Development Advisory Committee.

Our foreign aid program needs reform, such as in the arms supply and sales field. It needs even more stress on certain basic principles, such as self-help, political development, and selective assistance to those nations most able and willing to make progress.

It must not be relied on too much. There are many problems and limitations in government-to-government aid; there is much that it should not and more that it cannot do.

I believe that we must put more stress on trade and private investment than on aid. But we need aid. One is not a substitute for another. All are closely inter-related; each can be complementary and catalytic.

The importance of trade policies and patterns to the development opportunity has been tragically under-rated.

The consumeristic private enterprise principles which our society has so effectively vitalized must be applied throughout the interdependent world.

The continued support of international trade and the liberalization of existing trade restrictions must be pursued with a dedicaton and a vigor which has been sadly lacking, particularly in the present Administration.

The Kennedy Round of tariff negotiations achieved agreements affecting about $40 billion in world trade. We gave tariff cuts on $7.5 to $8 billion of our industrial and agricultural imports, and obtained tariff reductions on about the same amount of U.S. exports.

This was progress. Our general experience shows that reduced tariff barriers bring about increased export earnings. Trade restrictionism has been tried and found to be a failure.

But the Kennedy Round didn't really address the development challenge, and the Administration's position in the trade field as it pertains more directly to the poorer nations is uncertain and uncommitted.

The underdeveloped countries do not export many manufactured goods. Their raw material exports grow very slowly, whereas the demand for imported manufactured and industrial goods grows very quickly. There is a trade imbalance. In this situation, they lack the resources necessary to import the good required to bring them to a satisfactory rate of development.

So it is vital for underdeveloped nations to trade more if they are to develop. And it is vital for the international community to create a trade environment that would foster rather than frustrate the growth of developing countries.

This is the basic aim of the United Nations Conference on Trade and Development, which meets again in New Delhi, India, in February. UNCTAD, as it is called, recommended in 1963 that the industrial countries extend general tariff preferences to imports from the underdeveloped countries in order to create markets for their manufactured exports and to bring about gradually the diminution of the obstacles hindering the entry of these exports to the industrial countries.

This move would improve the deteriorating terms of trade of the underdeveloped nations that I have mentioned. Allowing the poor nations to export more would enable them to import more, thus adjusting their trade imbalance and allowing them to get investment capital and capital equipment—crucially needed to achieve growth and stimulate development.

This is a serious proposition, requiring careful study and consideration. In my view, given the priorities of the development challenge, America should support it. Instead, we have lacked the resolve.

At the 1963 UNCTAD session, the U.S. opposed the proposal. I hope that our Delegation to the next UNCTAD meeting will carry instructions allowing it to strongly support the general preference for the poorer nations in concert with a similar position by the other industrialized nations, as recently recommended by the OECD.

Extension of preferences by the U.S. to the underdeveloped nations would provide positive incentive to develop export trade. Preferences appear to be almost indispensible to the U.S. objective of increasing international trade and integrating the underdeveloped countries with the free economies of the North.

Recently, a huge upsurge of protectionist activity in the Congress—a retrogression into narrow economic nationalism—has raised the fears of many traders at home and abroad and cast new doubts on the basic underpinnings of our international economic relationships.

The new deadly serious protectionist drive could affect 80% of our dutiable imports.

At one point pending quota bills in Congress would have resulted in the drastic cutting back or cutting out of U.S. imports conservatively valued at $3.6 billion.

Now, the only answer to all this can be retaliation. According to the international system of trade rules under which we operate—the General Agreement on Tariffs and Trade—for every restriction we impose on imports, an equivalent restriction on our exports abroad can be imposed by other countries on U.S. industry.

And retaliation to trade protectionism can also take the form of investment protectionism. If we want to sell, we must buy. When we try to insulate some sector of our industry from international competition, some U.S. business must in turn pay for it. And our overall, long-term trade position is hurt.

Retaliation to threatened protectionist moves could affect nearly one-third of our exports which face duties overseas. In addition, the quotas recommended would result in higher prices for U.S. consumers, worsen our critical balance of payments position, and increase Government controls over our own economy.

The real problem is to correct the inflationary forces that are making us non-competitive and to encourage the forces that keep us ahead in productivity and technology.

The selfishness and short-sightedness of the protectionist movement is always beneath the surface. But I submit that a lack of dedi-

cation to the principles of international private enterprise and a lack of follow-up to the Kennedy Round achievements by the Johnson Administration actually encouraged this latest spate of restrictive threats.

The present Administration even at this date has failed to present a bill to the Congress which would fill crucial gaps in our national trade policy. This legislation is needed, among other things, to restore the U.S. Government's unused negotiating authority which ran out on June 30th, leaving us without the power to negotiate even minor tariff adjustments.

The new legislation must also liberalize the criteria for adjustment assistance under the 1962 Trade Expansion Act, which have proved in practice to be too tight and rigid for companies or industries in trouble.

This unworkability of the adjustment help theoretically available to U.S. firms and workers injured by imports resulting from tariff concessions became clear many months ago. But nothing has been done by the Administration to remedy the situation.

This inaction provided stimulus to the new protectionist wave. The Administration is tardy and unresolved in its trade policy and accordingly has courted confusion and reaction.

The greatest lack in the development effort today is the astounding absence of substantial participation by the private portion of our economy. Without the tremendous capital resources, the unparalleled know-how and the aggressive spirit of private enterprise, there is no possibility that the development gap can be effectively narrowed.

The present low rate of American investment represents a crippling failure of our own response to the development challenge. The private flow has been decreasing both in terms of gross national product and overall investment by the other northern industrialized nations. The total accumulated American private capital in the less developed countries today is only about $15 billion, over half of which is in extractive industries like mining and petroleum.

Given the great need of the poor nations for capital, the limitations on the amount and the efficacy of public funds, and the free enterprise traditions of this country, government aid should be a supplement to private involvement. At present the public commitment of funds is over four times the private commitment. The ratio is the opposite of what it should be. This is strange testimony to our own faith in private development.

What can be done about this private enterprise gap?

Ways must be found to diminish risk of loss and enhance the prospect of profit for the investor in the underdeveloped areas. Government policies should be revised to offer incentives to greater private involvement.

Governments must cooperate on efforts to improve the private enterprise climate in the underdeveloped countries to attract both foreign and domestic investment.

Private business must perceive its own interest in broader and longer-range terms. The ultimate threat and opportunity must be clearly understood and accepted as a basis for action.

The ingenuity of private enterprise must be devoted to applying the principles of progress-sharing and partnership in relations with foreign peoples, to put an end to fears of international economic imperialism and exploitation.

Private investment abroad must be viewed not just as a migration of capital but as a transfer of skills, know-how, and techniques. The whole infrastructure of the private sector—management, sales, research and development, production—must be injected into the process.

Universities, foundations, and voluntary organizations must be brought into participation in the international development challenge on a more intensive and less peripheral scale than at present.

Representatives of business, finance and industry from the various richer nations should consult and collaborate on private investments in the poorer countries.

There are instances of good recommendations and good innovations in the area of private resource participation abroad. Let me give some examples:

The Report of the Advisory Committee on Private Enterprise in Foreign Aid, submitted in 1965, and headed by Arthur K. Watson, Chairman of the IBM World Trade Corporation, contained some helpful suggestions, many of which have been put into practice.

Among other proposals, the Waston Committee recommended amendments in the tax law so that losses suffered by American-owned subsidiaries in developing countries could be offset against profits earned elsewhere. It also recommended the less-cautious use of the Agency for International Development's extended risk guarantee program, the subsidization of technical assistance to institutions in the developing countries, and the expansion of AID's staff of private professionals in Washington and the field. It suggested that development be given priority over immediate balance of payments considerations and that special attention be given to the role of agriculture in less-developed countries.

In activities abroad, U.S. firms have shown increasing interest in basic economic development projects, in joint venture arrangements which help to foster the concept of partnership, and in local management and transfer to majority ownership.

The World Bank is investigating a multilateral investment guarantee formula which would expand the concept of risk-reducing insurance on investments to a shared arrangement involving the participation of the recipient government. I have suggested an International Partnership Investment Insurance plan which would provide a multilateral pool of private funds allowing a radical expansion of the insurance principle.

Obstacle-free international trade bridges on a company-to-company or industry-to-industry basis have been constructed, such as in the agricultural implement and automotive industries of the United States and Canada.

The ADELA Investment Company—a multinational private investment group representing over 130 banks and industrial corporations of Canada, Western Europe, the U.S. and Japan—is hard at work mobilizing equity capital, know-how, and services for promising local, development-oriented enterprises in Latin America.

These ideas and activities are heartening, but they should be vastly expanded and multiplied. Others should be encouraged.

In the Executive Branch—I would recommend: reforms in the aid program and liberalization of Southern trade, as I have indicated; greater diplomatic efforts to create better climates for private investment and more co-participation of industrialized nations in the development effort; increased tax incentives for foreign investment in the underdeveloped areas; beefing-up of existing investment guarantee program; the enlargement at home and at posts abroad of the excellent activities of AID's office of Private Resources; and stronger cross-governmental authority and action on policies affecting the less-developed areas such as the politics-ridden, bureaucracy-mired War on Hunger.

In the Congress, I would recommend the establishment of a Joint Congressional Committee on Private Initiative in International Development. Such an agency could enable the Congress to play a stronger and less parochial role in supporting the involvement of private enterprise in meeting the worldwide challenge, and would lend more prestige to the effort as a whole.

In the private sector itself, I would recommend the establishment of an International Development Coalition made up of representatives of business, finance and industry, who would make continuing studies and recommendations to the private organizations on the one hand and to the Federal Government on the other concerning the best methods of private international investment and enterprise, and the best policies to facilitate such involvement.

## THIRD-CLASS BULK MAIL RATE

Mr. McGEE. Mr. President, the Senate, as well as the Committee on Post Office and Civil Service, has given careful and prolonged attention to the matter of postal rate increases and postal and civil service wage increases. However, it has come to my attention that an unprecedented amount of lobbying pressure has been brought to bear upon the conferees now adjusting the differences between the House and the Senate over H.R. 7977.

My plea this afternoon is to the Senate conferees to hold firm on the Senate-passed recommendations for third-class bulk mail; namely, 4 cents minimum piece rate.

As we considered postal rates in the Post Office and Civil Service Committee, it was always my feeling that the third-class junk mailers had the best deal in America going for them. It borders on the ludicrous that at this late hour we should even consider dropping back the rates of third-class junk-mail users. Indeed, the fairest, the most equitable, the most germane debate that we could now be engaged in is not over whether the rates for third-class junk mailers should be less than 4 cents, but that the rates should be more.

When this body was discussing third-class rates, it was my conviction that the rate for junk mailers should be at least 4.2 cents and I supported this with an amendment to that effect. In discussions with Senators regarding that amendment, I was assured that we would be able to get at least the 4-cent rate. If those assurances come to naught, I can assure the Senate that from this point on it shall be my No. 1 priority to establish equitable and rational rates for junk mailers, and not at the 4.2 level either, but above and beyond that level.

I can further assure the Senate that such a position is not a lonesome one. In the past 3 weeks I have had more angry mail from home about junk mailers and the virtually free ride they have perpetuated for so many years than I have received on any other single issue now before Congress.

First-class mailers in unprecedented numbers in Wyoming have indicated to me their generous willingness to accept first-class increases provided that the rest of the classes carry their fair share as well. Anything less than 4 is parasitic.

Those mailers who gain their livelihood trading in lists of addresses or the mere designation "occupant" in cities all over the country, with very little capital investment in their operations, understandably are squealing now that the Senate has decided it is time for them to get off the gravy train. After all, junk mailers, for the most part, are using the U.S. Post Office as a capital asset from which they reap easy rewards.

The U.S. Post Office is designed to serve millions of Americans who wish to communicate with one another. It is hardly designed to provide booty for junk mailers. And certainly the Post Office and its problems, as well as the actions of this body, were not meant to be the object of frantic lobbyists.

Bulk-rate third-class mail has been the most rapidly growing of all major mail services. From 1947 to 1966 its volume increased more than 250 percent, compared to 80 percent for all other mail. Even from 1953 to 1966, when most rate increases were effective, bulk mail rose 73 percent.

There is no doubt that low postage rates have contributed to the extraordinary growth of direct mail. There is also abundant evidence that past rate increases have not disadvantaged either the direct mail industry or the users of that advertising service. The National Association of Letter Carriers stated in its January issue of the Postal Record:

> If there were no third-class mail, the Post Office Department could eliminate about one-quarter of its clerical employees and about one-fifth of its letter carriers.

That number of employees costs the Post Office $780 million annually. In contrast, the total revenue from third-class mail is only $682 million. Thus, we have a loss of $100 million in this category alone. There is no sane reason why junk mailers cannot help to pick up at least a part of this tab.

Not only is the case for at least a 4-cent rate overwhelming on the grounds that junk mail causes an unnecessary load for overburdened carriers and the thin patience of householders with pesty junk mail, but if the Senate conferees succumb to the blandishments, not to mention the rather crude threats already alluded to by the Senator from Oklahoma [Mr. MONRONEY], we will be placed in the position of having to find other moneys to pay for the wage increases incorporated in H.R. 7977. Or worse yet, we will have to face squarely a reduction in the recommendations of the Senate for wage increases in the postal and civil service. The case for the wage increases which we approved here is so strong and so compelling that we should all shudder at any move which threatens those wage increases. If for that reason alone, we must object to any lessening of the rates for junk mailers.

The current effort of junk mailers to try to stampede the House-Senate conferees into what is basically an unfair posture and special interest protection ought to be resisted with the coldest shoulder we have.

I repeat, Mr. President, my conviction that if the House-Senate conference fails on this crucial issue, the No. 1 business of the Senate should be to set a much greater rate than 4 cents for junk mail.

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## CONFERENCE ON CURRENT PROBLEMS IN COLLEGE ADMINISTRATION AT ST. JOSEPH COLLEGE, EMMITSBURG, MD.

Mr. TYDINGS. Mr. President, recently, the faculty of St. Joseph College, at Emmitsburg, Md., conducted a 1-week conference on current problems in college administration. The conference was attended by specialists from a dozen educational institutions in various parts of the country.

This is one of the first times a small college, confronted with the multifold problems existing in the administration of non-State-endowed colleges, has attempted to bring together specialists in all fields of college administration for the purpose of attempting to formulate a program to improve the operation of small colleges.

I believe that the conclusions reached at that conference will be of interest to the Senate. I ask unanimous consent that a memorandum summarizing this conference be printed in the RECORD.

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

CONFERENCE ON CURRENT PROBLEMS IN COLLEGE ADMINISTRATION, ST. JOSEPH COLLEGE, EMMITSBURG, MD.

The small private liberal arts college for women faces awesome challenges today in its struggle to survive, to keep from being engulfed in the crosscurrents of American higher education. If, in addition, the college claims a church-relationship, its chances for assistance through a fair share of public funds are considerably diminished by a society ever-conscious of its Constitutional rights. Convinced, however, that their cause is a valid one, the administrators of these institutions bring to the educational forum the pioneer spirit, foresight, and convictions of their founders. Their dedication to the ideal in higher education, character education, is their strength in adversity—an example that all might emulate.

Saint Joseph College at Emmitsburg, Maryland, is such an institution. Since its founding as an academy by Elizabeth Ann Seton in 1809, and since the revision of its charter by the Maryland Legislature in 1902 to grant collegiate degrees, it has evolved as an exemplary educational institution for America's young women. For more than 150 years, its pattern of growth and development has been typical of many of our women's liberal arts colleges. The multi-faceted academic and administrative problems confronting all American colleges in the past decade, however, has forced it to take stock of its resources.

In 1962 Saint Joseph's launched a ten-year Master Plan of Development. It included curricula and plant expansion for a projected optimum enrollment of 1,000 students (a 40% increase) by 1972.

To administer the expanding program, the College has had to increase its administrative staff at a rate not conducive to gradual absorption into the mainstream of academic life. Consequently a lack of continuity and integration became apparent in administrative policies and operational procedures. Within the past three years five new administrative positions have been created: Vice President, Director of College Relations, Director of Admissions (formerly a combined post as Registrar), Director of Institutional Research, and Financial Aid Officer. During the same period two other persons assumed top administrative posts. The administrators, though resourceful and capable, come from varied backgrounds and experiences related to, but not specifically in, the area of college administration. It was felt that an in-service program, designed specifically for the administrators, could contribute considerably to stimulating their continued growth and cooperative efforts. The need for the staff to step outside and view itself under the guidance of specialists seemed urgent at this stage of development.

In June of 1967 the College was awarded a federal grant as a developing institution under Title III of the Higher Education Act of 1965 (Public Law 89-329). Under the grant, the School of Education of the Catholic University of America provided consultative services to the College by conducting a ten-day Conference on Current Problems in College Administration for the College's staff.

The purposes of the conference were:

1. to improve the effectiveness and efficiency of the administrative services of the College;

2. to identify the principal areas toward which the College should direct future efforts for improvement;

3. to place the administrative staff in contact with outstanding scholars and research persons in the various administrative areas; and

4. to evaluate the total long-range development plan of the College.

Dr. Frank B. Pesci, Visiting Associate Professor of Higher Education at Catholic University, was appointed by the University to direct the conference and coordinate the sessions which were conducted from October 16 through 27 on the Emmitsburg campus.

Sister Rosemary Pfaff, D.C., President of the College, and members of the administrative staff selected ten areas of interest and concern to be explored during the conference. Ten educators, nationally known for their competences in higher education, were invited to address the administration and faculty. Walton of the Hopkins, Gould of U.S.C., Mayhew of Stanford, Hungate of Columbia; Conley of Sacred Heart University, Cutler of the University of Michigan, Lee of the University of Chicago, Stecklein of the University of Minnesota, Donovan of Marquette, and Stickler of Florida State—as one observer remarked, "The Brain Trust of the Academic World."

Dr. John Walton, Chairman, Department of Education, the Johns Hopkins University, discussed College Government; Dr. John W. Gould, Associate Professor of Business Communications, University of Southern California, explored the role of the Academic Deanship; Dr. Lewis B. Mayhew, Professor of Education, Stanford University, advised on Curriculum Analysis; Dr. Thad L. Hungate, Professor Emeritus of Higher Education, Teachers College, Columbia University, brought more than three decades of experience in college finance to his topic on Business Management; Dr. William H. Conley, President, Sacred Heart University in Bridgeport, the first American layman to head a diocesan university, explored the inter-relationships of the college's constituencies in a discussion on College Relations. The opening session of the second week's conferences was led by Dr. Richard L. Cutler, Vice President for Student Affairs at the University of Michigan. Dr. Cutler spoke on Student Personnel. Succeeding conferences featured Gilbert L. Lee, Jr., Vice President for Business and Finance, University of Chicago, on Budget Preparation and Control; Dr. John E. Stecklein, Director of Institutional Research, University of Minnesota, on Institutional Research; Dr. George F. Donovan, Chairman, Department of Education, Marquette University, on Departmental Head Responsibilities; and Dr. W. Hugh Stickler, Head, Department of Higher Education, Florida State University, on Long Range Planning.

The conference consultants received before their arrival on campus a description of the College and an institutional analysis of its strengths and weaknesses in the area of the participant's specialization. Each consultant spent a full day at the College working with individual administrators and their staffs and presented a critique of the sessions at an evaluation seminar in the evening. At the conclusion of the conference,

Dr. Pesci assisted the administrators with the information supplied in the critiques to evaluate their most urgent administrative problems and to formulate plans for further study and effort.

Elizabeth Seton's successors, the Daughters of Charity of St. Vincent dePaul, and an equal number of lay faculty and administrators at Saint Joseph College, through a critical self-study, are making a significant contribution toward the solution of the problems of small liberal arts colleges for women. Meanwhile, with refreshing dedication, imagination, creativeness, and hard work, they are firming the objectives of Saint Joseph College to develop well-educated, independent, mature and responsible young women.

## INSTITUTE FOR URBAN DEVELOPMENT

Mr. SPARKMAN. Mr. President, today the President announced that he has asked a distinguished group of Americans to help him to help the Nation meet the challenges of our urban society. He stated that he is establishing an Institute of Urban Development which will bring together experts in a variety of social, scientific, and economic disciplines.

The Institute, funded initially through the Department of Housing and Urban Development, may develop related research centers around the country as aids to local and State institutes in developing policies and programs to meet urban problems.

I am glad to know this of the Institute for Urban Development. I welcome it. The line between urban and rural problems has almost vanished. One section of S. 2700, which has been reported by the Banking and Currency Committee, provides for comprehensive regional planning for urban and rural development, and would thereby further accomplish this. The Government needs an organization such as this into which it can channel research and other planning projects related to housing, economic development, pollution, transportation, education, and the question of urban-rural balance.

If this Institute is helpful in avoiding future problems in urban development, the cost of its urban research will be money saved.

I believe that President Johnson's efforts to improve the physical and cultural environment of the cities and towns of America are working. The results are beginning to be seen.

I trust that Congress will give this Institute its close attention and help as it moves forward under its distinguished leadership—Mr. Irwin Miller, chairman of the board of Cummins Engine; Mr. Arjay Miller, president of Ford Motor Co.; Mr. McGeorge Bundy, president of the Ford Foundation; Mr. Kermit Gordon, president of the Brookings Institute; Mr. Richard Neustadt, director of the Kennedy Institute of Politics, Harvard University; and Mr. Cyrus Vance, New York attorney.

## ADDRESS BY SENATOR PERCY BEFORE COMMUNITY RENEWAL SOCIETY, CHICAGO, ILL.

Mr. PERCY. Mr. President, last week I had the privilege of speaking before the Community Renewal Society in Chicago. I ask unanimous consent that my remarks be printed in the RECORD. I believe the work and the potential of this remarkable organization deserves the attention of us all.

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

TOWARD RESPONSIBLE FREEDOM

(Address by Senator CHARLES H. PERCY, Republican, of Illinois, at the annual meeting of the Community Renewal Society, Chicago, Ill., November 27, 1967)

Some time ago I read a speech by a man who for many years has battled for a rebirth of individual responsibility and human dignity for the inhabitants of America's slums.

It was a disturbing speech, and a prophetic one. For this man said new things about poverty and the slums and the people who are imprisoned in them—things which flew in the face of the standard wisdom of the day.

"Using our present strategy"—the war on poverty—he said, all the money in the world will not eliminate slums and poverty in America. Why? Because, in his words, "our present strategy does not enlist the energies of the people most concerned—the people of the slums."

"Our present course," he said, "depends on serving people instead of demanding that people help themselves; it does things *for* people instead of *with* them; . . . it offers them opportunities instead of handing them responsibilities."

He said that the principal and decisive role in fighting poverty must be assumed by poor people themselves.

He said the poor had to be entrusted with the responsibility and funds for managing their own affairs—not that they *ought* to be so entrusted, but that they *had* to be so entrusted if the goal was to be achieved.

He said progress centers, clinics, and mental health centers in the slums will not do the job, for they make slum people more dependent on outsiders, and the culture of dependency more entrenched.

He said, too, that the people of the slums, among whom he had lived and worked for over two decades, did not want lives of more rewarding dependency; what they wanted was a piece of the action, a chance for gain or profit through individual and corporate enterprise—in short, the same chance to play their part in the American system that others had enjoyed before them.

He said the nongovernmental part of our society—our private citizens, business, organizations, unions, churches—*they* were the ones who must take the initiative, not the government.

And his concluding observation, in that speech given one year ago, was this:

"I propose an alliance of the conservatism in all of us and what is held to be the radicalism of the slums, but is really the same as conservatism. Both "isms" are committed to the same ideas—individual freedom, local initiative, and responsibility."

Contrast those observations with the doctrine espoused by many who consider themselves in the forefront of the great war on poverty.

They said the poor needed better treatment.

They said that society should spend more to provide that better treatment. They said that government, particularly the Federal government, should lead the way.

They said that the existing welfare agencies weren't really reaching the poorest people, and that new organizations were needed to help the poor gain the benefits to which they were entitled.

But what they did not say was that the greatest need of the poor was to be entrusted with the responsibility and resources for reshaping their whole environment and for controlling their own destiny as human beings. That was held to be a foolish and romantic notion.

I recount this confrontation of ideas tonight because it is triply relevant to our present theme.

First, the man whose speech I have quoted is Don Benedict, the Executive Director of the Community Renewal Society.

Second, the events of the past year have time and again confirmed the soundness of his views.

Third, the philosophy he has so ably set forth today forms the basis of an exciting and vital new program, Toward Responsible Freedom.

Consider for a moment the semantic implications of the changing of the name of the former Chicago City Missionary Society to the Community Renewal Society.

Webster defines "missionary" to be a person "commissioned by a religious organization to propagate its faith or carry on humanitarian work."

In this definition, I think, are three important meanings.

The missionary is commissioned by a religious organization.

His misson is the propagation of his faith; he comes not to learn and understand, but to impart and exhort.

And he carries on "humanitarian work"—that is, he dispenses charity to the needy.

Far be it for me to disparage the work of the thousands of missionaries who have devoted their lives to self-sacrificing service. I am suggesting only that the new name of Community Renewal Society reflects a conscious awareness of the need to reorient the traditional link between the fortunate and the unfortunate. It reflects the transmutation of philanthropy and charity into a dynamic new relationship, with infinitely more promise for bringing self-respect and human dignity to those who today are mired in smoldering despair amid the jungle of the slums.

No longer is the Society a religious organization in the traditional sense. It continues to draw its major support from church sources. Its ranks are liberally sprinkled with men of the cloth. But the Society under its new organization is truly an ecumenical enterprise, because it seeks to bring together a new urban coalition to face squarely the crisis of our cities.

For instead of drawing its support and leadership solely from within the church organizations of the Chicago area, the Society is reaching out to tap the great resources of private enterprise, of labor unions, of civic organizations, of our colleges and universities, and perhaps most important, of the men and women of our neighborhood organizations striving for a better life.

Nor is the Society a vehicle for propagating the faith. It does not exist to tell poor people what is good for them, or to dictate recipes for progress that may seem self-evident to the middle-class fifth generation Anglo Saxon American.

Instead, the Society aims now to help people build their own faith, and to discover their own values in the course of working toward the fulfillment of their lives. It exists to help people pursue their own goals, not to superimpose upon them the preconceived goals of others.

And while the efforts of the Society in promoting Responsible Freedom can certainly be classed as "humanitarian work," absent is the traditional connotation of channeling benefits to the underprivileged. In its place is the most truly humanitarian and religious emphasis—helping people to realize their own inherent God-given capacity to be human in the best and fullest sense of that word. The Society's job is not to upholster the poorhouse, but to make it obsolete.

The choice of the new name is similarly significant in its implications.

For the focus of the Society will be on developing "community." It seeks to develop a

shared quest of shared values by men and women working together. It seeks to create a meaningful group whose potential is greater than the sum of its parts. And it seeks a "renewal"—not merely in the sense that urban renewal replaces old buildings with new and usually the people too—but in a sense of rebirth, of unleashing the human spirit to achieve its innate potential.

I know of no more exciting undertaking in America today.

I had been a Senator less than a month when Don Benedict and other leaders of the Society came to my office in Washington to tell me what they wanted to do. I was impressed by their wisdom, their vision and the sincerity of their purpose. I pledged my personal support. I asked my staff to work with them to help design Toward Responsible Freedom. I called civic leaders in Chicago to ask their support for the Community Renewal Society's developing program. I brought the Society's message to the attention of my colleagues in the Senate, both on the Floor and in the hearing room.

I cannot of course assume responsibility for the staff, the publications or even the detailed programs of the society, but I am here today because I wholeheartedly believe in the fundamental rightness of the concepts underlying Toward Responsible Freedom; I am here because I believe in the vast potential a program of this type has for improving the lives and opportunities for thousands of Chicagoans, and ultimately perhaps for millions of families all across America; I am here because I have faith in the men I personally know who have conceived this venture, and the men and women of Chicago's slums who, through it, will for the first time gain the power to create genuine communities of their own, where human life is a more rewarding experience, not just a daily ordeal.

I believe these things; and I ask all of you here tonight to join me in pledging renewed support to something that is right and sound and urgent.

Perhaps some of you know that, I sponsored a bill early this year called the National Home Ownership Foundation Act. I was joined by 39 other Senators and 112 members of the House who introduced similar legislation under the leadership of Rep. Wm. Widnall of N.J.

The purpose of that bill was to create a private sector device for channeling mortgage capital into the slums and declining urban and rural areas of our nation so that the poor but motivated people of those areas might have the chance to own a home or apartment of their own.

Another purpose was to provide an incentive to the creation or strengthening of local community-based organizations and corporations to sponsor home ownership programs for their members. Under the bill, these local sponsoring organizations would be able to obtain mortgage financing for home ownership, whether on a single family, cooperative, or condominium basis. In the process of preparing poor families to achieve the stable income and know-how to become home owners, the community organization would have to arrange for or sponsor the programs to those ends. In short, the bill encouraged community organizations to develop and implement comprehensive programs for rebuilding—renewing—their own environment the way they themselves saw fit.

For those whose financial resources were initially unequal to the demands of home ownership, the government would pay part of the costs of the monthly payment to the mortgagee; later, if the home owner's income rose to middle income levels, this amount of assistance would be reduced and eventually eliminated. Thereafter the home owner, as his income increased, would pay back the earlier government investment in him into a revolving fund to help others climbing up the same path.

In its emphasis on self-help, strong neighborhood organization, private sector leadership, and ownership of housing by the people themselves, the National Home Ownership Foundation Act was identical to the principles of Toward Responsible Freedom.

At the same time I sponsored and supported two other bills complementary to the Home Ownership bill. One was Senator Ribicoff's Neighborhood Corporations Assistance Act, which would have provided pump-priming administrative funding for local community organizations based on the full and democratic participation of the people of the neighborhood. The other, which I introduced, was a bill to expand presently authorized Federal-State training programs to permit the training of neighborhood people to administer housing and community development programs for community corporations and similar organizations.

In late July the Housing and Urban Affairs Subcommittee of the Senate Banking and Currency Committee met to consider these and some 33 other bills referred to it. The able chairman of the Subcommittee, Senator John Sparkman, assigned three of the scheduled ten days of hearings to me, for the testimony of witnesses of my own choosing.

Now those of you who are familiar with the clientele of the Congressional Banking and Currency Committees know which groups are likely to appear to testify. There are the National Association of Home Builders, and the National Association of Real Estate Boards, and the American Bankers Association. There are the National Housing Conference, the National Association of Housing and Redevelopment Officials, the AFL CIO and the Chamber of Commerce.

And as I looked over this imposing list of organizations waiting to testify, I asked myself, "Where are the people? Where are the voices of those for whose benefit many of these bills were introduced?"

And so, during the three days of hearings allotted to me, there appeared before the Housing and Urban Affairs Subcommittee of the United States Senate a series of witnesses different from those usually seen in that oak paneled meeting room.

There was Juan Diaz, who came to voice the deepest feelings of the Spanish-speaking Americans of Chicago.

There was Dr. Nathan Wright, Jr., who chaired the Black Power Conference in Newark last summer.

There was Cleo Blackburn, who, in the face of ridicule from the experts, proved that self-help home ownership could work in an Indianapolis slum.

There was Reverend Ralph Henry, speaking for the people of Chicago's West Side organization, fighting to replace violence with hope in a slum the bankers and realtors and home builders long ago forgot.

There was young Jan Dykman, whose pioneering work in the Mullanphy Street slum of St. Louis set an example for the nation. With him came Mrs. Arnice Straughter, a welfare mother turned community organizer, who spoke from her heart on what poor people could do if only given the chance.

There were Cora Walker and Florynce Kennedy, from Harlem, two dedicated women lawyers who had the courage to fight apathy and bureaucracy and corruption to improve the lot of their people.

There was Garson Meyer from Rochester, who upon retirement as Vice President of Eastman Kodak devoted his prestige and managerial talent to helping poor families of Rochester achieve home ownership and economic security.

And there was the eloquent voice of your own Don Benedict, outlining Toward Responsible Freedom and its potential for freeing the people of Chicago's slums from the chains of poverty, dependence, and desperation.

I will venture to say that rarely have the members of the Senate Housing and Urban Affairs Subcommittee had an equivalent chance to learn, not just from the trade organizations and the interest groups, but from *people*, deeply personally effected by our proceedings.

Now an omnibus housing and urban development act has been reported to the floor of the Senate.

Included in the Act is a National Home Ownership Foundation, with a mandate to provide technical assistance and knowhow to neighborhood organizations conducting comprehensive home ownership programs—provisions which were coupled with the lending authority in the bill I originally introduced.

The Subcommittee members agreed to include in the Foundation section a provision that if the Foundation found that the devices for financing home ownership continued to be inadequate for the purpose, the Foundation could come back to Congress and ask that the original lending authority asked for be reinserted in the legislation.

It is not all I sought, but I strongly support the bill now before the Senate. I hope I am wrong in my pessimism about the potential accomplishments of the FHA in bringing private financing into slums. But if I am right, this bill wisely provides the framework upon which a yet stronger institution can be built in the future, should Congress see the need to further strengthen it.

I am glad to advise you that the provisions to expand training for neighborhood project administrators was accepted, and will hopefully become law in the near future. For the first time this year, too, the Congress voted to appropriate funds for this three year old program, so I am looking for swift implementing action in this area.

This bill does not by anyone's standards constitute a panacea for solving the problems of our urban ghettos. I am convinced though, that it is a significant step in the right direction.

I am convinced, too, that meaningful programs will result only from broadly and imaginatively conceived efforts. I know of none more potentially deserving than the Toward Responsible Freedom program unveiled here tonight.

Let me conclude my remarks by suggesting to you a number of ways in which we must boldly move forward.

First, we must work together to spread the philosophy that underlies Toward Responsible Freedom. As Don Benedict pointed out in his speech of last November, what we do *not* need is a more pleasant way of dispensing welfare. What we *do* need is a tremendously increased emphasis on the empowerment of lower income people for their own self-realization and, through aided self-help, for the effective control of their community and its environment.

Second, we must work to create a working alliance between conservatives and the people of the ghettos. For, in truth, they are saying the same things, but each in language only slightly comprehensible to the other. I am convinced that if the way could be found to convert the language of the Country Club into the language of Kedzie and Roosevelt Road, and vice versa, conservatives and militant slum dwellers alike would realize their common interests and begin to work together for their common goals: individual liberty, equal opportunity, self-reliance, independence, local initiative and responsibility. This is emphatically *not* the language of many who have for years served as the self-anointed interpreters for the urban poor.

This reminds me of a passage I read in a recent book. It read:

"No current government programs, however, are realistically geared to empowering the ghetto masses to grow into self sufficiency through self-directed growth and creative change. Men and women—as well

as children—come to hate the hand which too long feeds them. The radio news services carried not long ago a tragicomic story of an appeal by a group of Negro poor for loans from several foreign countries on the grounds that they wanted help to help themselves and that in America they could only get a dole. People want to maintain their self-respect. When that is lost, little else of enduring value seems to remain."

Now that sounds to me like the voice of responsible conservatism. It is the voice of the Chairman of last summer's Black Power Conference, Dr. Nathan Wright, Jr. in his book, "Black Power and Urban Unrest."

Third, we must work to revise the War on Poverty to better equip it to achieve its goals along the lines of the philosophy discussed here tonight. I supported expanded job opportunity and certain other poverty bills in the Senate this year, but in doing so I could not refrain from observing that if the war on poverty had been created for a genuine empowerment of poor people to shape their own future, it might well have escaped much of the rising tide of criticism and failure now engulfing it.

Fourth, private enterprise must be mobilized. Its strength and resources must be used to develop the slums and to help poor people climb the ladder to economic security and enhanced self-respect. In the past two years alone tremendous steps have been taken. Carson Pirie Scott's Double E program was a pioneer in job training for high school dropouts. The Kate Maremont Foundation, working together with the Lawndale Union to end slums, has an exciting new program to rehabilitate apartments and sell them to slum families as condominium units. The interest of several Chicago-based unions in encouraging neighborhood organization is also important. And many in our colleges have long been personally involved in the problems of their fellow men, and the churches of Chicago have long been in the forefront of funding indigenous community organizations.

The National Home Ownership Foundation Act is one attempt to encourage further mobilization of private funds and expertise in community development activities. The Human Investment Act, which would provide employment and job training by private industry—an approach which received the endorsement both of conservative members of Congress and such leaders as Dr. Martin Luther King and Bayard Rustin—should be enacted. Senator Javits' proposals for a Domestic Development Bank and an Economic Opportunity Corporation, which I co-sponsored, deserve serious consideration. So does Senator Robert Kennedy's bill for tax incentives for slum employment. Common to all of these proposals is the philosophy of government as the agent of reinforcement and guarantee, with the private enterprise system providing the energy, initiative, and leadership.

Fifth, we must work to strengthen neighborhood organizations. We need to support their activities for the betterment of their members and neighborhoods.

Sixth, much remains to be done to restore the ownership of urban neighborhoods to neighborhood people. The home ownership bill now before the Senate moves in that direction. It deals with residential housing—single family, cooperative, and condominium. We must go beyond the ownership of housing to dramatically expand neighborhood ownership of business enterprise, in retailing and manufacturing and the service trades. This means new training for entrepreneurship, and loans on easy terms to those wishing to go into business in their own neighborhoods. It also means community corporations should be organized to supervise cooperative production, marketing, and financing, paralleling a system practiced for years in many of the rural areas of this country.

Seventh, we must find ways to encourage the growth of financial institutions owned by the people of the neighborhoods they serve. Dr. Andrew Brimmer, a member of the Board of Governors of the Federal Reserve System, recently pointed out that with the rising average real income of the Negro, the giant white-owned banks, savings and loans, and insurance companies were beginning to move into a market hitherto reserved for black-owned financial institutions. This highly efficient competition could have the effect, too, of destroying the smaller, less secure black-owned institutions so vital to the development of economic advancement and community leadership in Negro areas of our cities.

Dr. Brimmer's suggestion, which I endorse, was to create a new correspondent relation between ghetto institutions and the larger institutions in the same functional areas; thus, a big life insurance company might work with a black-owned savings and loan association or a bank owned by Spanish-speaking stockholders to service home loans in the neighborhoods of those institutions, rather than trying to perform those tasks itself. One provision of the National Home Ownership Foundation Act is a step in the right direction; it requires the Foundation to deposit its funds in savings institutions which are actively working to advance better housing in ghetto neighborhoods. This principle could and should be expanded upon to strengthen those institutions.

Eighth, we need to take a long new look at the organization of our educational systems. Mayor Lindsay recently received the report of an eminent citizens' committee charged with that task. It recommended that the gigantic New York City school system be decentralized into community school board areas, and that local parents should play an active role in their supervision and direction. Like other steps which devolve the responsibility for their own affairs upon neighborhood people themselves, school decentralization deserves immediate attention here in Chicago as well as in other cities across the nation.

Ninth, we need to develop new and imaginative ways of harnessing the talent and enthusiasm of our young people of the slums in efforts to improve their communities and their own opportunities. Mobilization for Youth in New York City has successfully sponsored a luncheonette, organized and managed by teenagers and dropouts, many of whom were written off as hopeless cases by the local authorities. There are youth organizations in Chicago who have this kind of potential. It is an asset that America cannot afford to leave untapped.

Tenth, we need to build better relations between our law enforcement agencies and the people of the slums. Too often the policeman, who should be the ally of the oppressed, appears to ghetto people as their enemy. The Chicago police force, through its community relations workshops, has moved to meet this problem, but there is more to be done. Without confidence in the police, the very fabric of our society is endangered. Better training and remuneration for dedicated policemen will help, but above all must come a deeper understanding on the parts both of police officers and of neighborhood leaders of all ages and races.

Eleventh, last, but far from least of my areas for action is that of putting an end once and for all to racial and religious discrimination in every form. No American can hold his head high until the last vestiges of this evil have been eradicated by the concerted action of people like those in this room tonight. Discrimination must end—in jobs, in accommodations, in housing, in the courts, and in every area of American life. With this principle there can be no compromise.

I do not know the precise shape our efforts for community development in the slums will take in the years ahead. The points I have made here this evening are in some cases only tentative. Perhaps even more important and useful ways of looking at these problems will soon emerge.

But we can not wait for them when the present needs are so great. By studying the experience of the past, we can work to shape the future. That, in fact, is the fundamental premise of a responsible conservatism. As we learn, we must retain the courage to change our course, to abandon our mistaken ventures, and to proceed boldly ahead along the path that appears more likely to lead us to our goals.

Toward Responsible Freedom, launched here tonight, is a program whose final phases cannot yet be envisioned. Undoubtedly much will be learned along the way, and many adjustments made accordingly.

But I am proud to be here tonight with the Community Renewal Society to launch this far-sighted endeavor.

I am proud that my city of Chicago has the caliber of people and the loftiness of vision to provide such impressive support to this undertaking.

And I am proud, in anticipation, of the men and women who, though today imprisoned in our slums, will tomorrow, with our help but through their own efforts, rise to the achievement of their own potential as self-reliant human beings and creative citizens of the greater Chicago of tomorrow.

## THE PRESIDENT AND THE MORAL JUSTIFICATION FOR VIETNAM

Mr. SPARKMAN. Mr. President, in a recent editorial, the Birmingham News skillfully discussed the current controversy over the morality of America's position in Vietnam.

The News points out that all war is immoral and irrational. But the United States did not start this war and the United States does not choose to continue this war.

The Communists are to blame on both counts.

We feel—

The News declared—

that the Administration, by fighting a restrained war at this time, is embarked on a sane course to save us from the very thermonuclear war which the peace advocates accuse the Administration of dragging us toward.

And challenging the views of peaceniks and so-called dissenting Democrats, the News says:

We would rather see (their) funds and energies spent in an effort to persuade Hanoi to accept some of the peace offers so that meaningful talks toward a settlement could be underway.

The Birmingham News answers the question of morality in Vietnam by posing questions of its own:

Have not large numbers of innocent people been slain by North Vietnamese soldiers and Viet Cong terrorists? Would not these slayings be continued on an incomparably larger scale without the American presence? How many civilian lives would be lost tomorrow if the United States would evacuate today?

Mr. President, I submit that these are the most relevant questions to ask when discussing the problem of morality and Vietnam.

I agree with the Birmingham News that it would be immoral for the United States not to be there.

And I think the majority of Americans share this view.

## PRESIDENT JOHNSON IMPROVES HEALTH CARE OF ALL AMERICANS

Mr. MONDALE. Mr. President, President Johnson has signed into law the important Partnership for Health Act, marking the 31st health bill passed under his leadership in 4 years.

The Partnership for Health Act mobilizes the energies of all levels of government in an all-out war against disease by providing Federal funds for health services which States and communities deem vital; by enlisting the resources of the Nation in a total effort to control and eliminate rat infestation; and by setting strict standards of practice for clinical laboratories, to insure careful, correct examinations.

During the Johnson years, more health bills have been enacted than during any period in our history.

President Johnson and two Democratic-led Congresses have established comprehensive health services for over 900,000 members of poor families, and special health care for an additional 1,000,000 low-income children and youth, provided health care for the aged through medicare, expanded mental retardation and community mental health centers for the mentally retarded and disturbed, and strengthened immunization programs for our children.

A nation can be only as strong as the health of her people. While much remains to be done before we can be satisfied with the quality of American health care, great progress has been made.

I am proud of the health record written under the Johnson administration, and so is a healthier Nation.

I ask unanimous consent that the President's remarks upon signing the partnership for health bill be printed in the RECORD.

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

REMARKS OF THE PRESIDENT AT SIGNING CEREMONIES OF THE PARTNERSHIP FOR HEALTH LEGISLATION, DECEMBER 5, 1967

Mr. Vice President, Secretary Gardner, Chairman Staggers, members of Congress, ladies and gentlemen:

As President there is nothing that I enjoy more than coming here to the East Room and signing health bills.

First, I think it is somewhat of a recommendation and a compliment to the Congress for having passed them. Having spent so many years in Congress, I look for every opportunity I can, in good conscience, to compliment them.

This is the second health bill that I have signed this week. That makes me very proud and I think this is something that will make the American people very happy.

This is the 31st health bill that I have signed in the last four years. I think that is of some significance because it shows what we are thinking about in this country and it shows what we are doing about it.

The bill that we will sign shortly is a little different than some of the others that we have had. Its purpose is not to create a new program, but to try to consolidate some old ones. It gives our States and it gives our communities new power to mount a total war against sickness and against disease—and they need that power.

Some two years ago a noted medical researcher said: "The human body comes in only two shapes and three colors. I don't expect there will be any changes . . ."

But even if the human body is quite limited in both shape and color, the human body has also unlimited capacity for affliction. As medical science has discovered more and more of the new ways to cure the body's ills, the Federal Government has responded with more and more health programs, as the number of these measures has indicated—each with a pinpointed target, each valid and each valuable for its own purpose. But the result, after dozens and dozens of health bills enacted in a relatively short period—more health bills have been enacted in the last four years than all the preceding years of our Government put together—the result has been a programmatic and bureaucratic nightmare that we frankly must face up to.

In this Partnership for Health measure, we begin to try to cure some of this red tape. We begin to try to free the Public Health Service from the burden of paperwork so it can fight a more important battle, the battle against disease.

This bill contains a three-part strategy to help them fight that battle against diseases:

First, it offers assistance to States and communities to develop broad-based plans for health. We give them that obligation and responsibility and call upon them to do their planning.

Second, as quickly as these plans are ready it provides Federal funds to help carry out these local plans.

Third, it establishes a national program for research and development in health services. Even as we discover new ways to cure disease, we are testing better ways to bring these cures to the people.

So the bill contains two proposals:

It opens the way to strict Federal and State standards for clinical laboratories. It will help to eliminate the patient of the needless anguish of tests he has had to undergo that might be faulty. We do know from recent studies that as many as one out of four tests performed by some laboratories have been wrong tests.

This bill also deals with a subject that you have heard about and read about and some people have laughed about—the subject of rats.

Throughout history rats have been the prime delivery system for our filth and the worst diseases that human beings have. To little children in the slums rats have really been the Public Enemy No. 1.

Some important people—I am told—thought it was a joke when we sent up the Rat Control Bill a few months earlier. Some joked about it.

The bill we sign today shows that American people are not laughing about it. And it shows that the Congress and the country were listening.

Now it is the turn of State and community leaders to listen. Now it is time for the health officers to show that by this partnership we mean business.

This is the second consumer bill that I have signed this year. We still have ten to go, Truth-in-lending, Pipeline Safety, Flammable Fabrics and Wholesome Meat.

I had some encouraging words a few moments ago about that.

This Wholesome Meat Bill can relieve every American family from the fear that every frankfurter and hamburger they give their children could be rancid or have something wrong with it.

So, I thank the Congress for what you have brought me to sign and I invite you to give me other work to do.

## CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

## ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1967

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 7819.

The PRESIDING OFFICER. The bill will be stated by title.

The BILL CLERK. A bill (H.R. 7819) to strengthen and improve programs of assistance for elementary and secondary education by extending authority for allocation of funds to be used for education of Indian children and children in overseas dependents schools of the Department of Defense, by extending and amending the National Teacher Corps program, by providing assistance for comprehensive educational planning, and by improving programs of education for the handicapped; to improve authority for assistance in schools in federally impacted areas and areas suffering a major disaster; and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate resumed the consideration of the bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

## COMMENDATION OF CYRUS R. VANCE

Mr. BYRD of West Virginia. Mr. President, this morning's Washington Post contains an editorial entitled "Well Done." The editorial remarks on the highly commendable work that has been performed by Cyrus R. Vance in his efforts to secure some peaceful resolution of the problem that has confronted the Middle East in recent days; namely, the controversy between Turkey and Greece over Cyprus. The editorial states that many persons played important roles in this situation. I quote from the editorial:

But it was Mr. Vance, who left his job as Deputy Secretary of Defense earlier this year to rest an ailing back, who carried the big burden. It was his readings of the temper and intentions of the conflicting parties that were crucial to the shaky understanding that was reached. He was thrown into the crisis with no particular expertise to help him and little time to do his homework. Yet he came quickly to the heart of it: Turkey was in no mood for half-baked solutions; if no major concessions were forthcoming from Greece, the Turks were ready for war. The necessary concessions were worked out, all around, though it remains to be seen just how reasonable President Makarios of Cyprus is going to be.

I take great pride in calling the editorial to the attention of the Senate. I take pride in the work of Mr. Vance. He is an able public servant. He has rendered a notable service not only to his country but also to the world by acting to preserve peace in the Middle East.

If I may be a bit parochial for a moment, I take a special pride in Mr. Vance's accomplishments because he is a native West Virginian. I am glad to see his work recognized by the Washington Post, a very great newspaper.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

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

WELL DONE

Cyrus R. Vance is back from the war that almost was between Turkey and Greece and it is in very large part his doing that there has not been a war. It was a near thing, by all accounts, and the danger will not completely die away until some sort of permanent Cyprus settlement is reached. But the sparks of a potentially bloody conflict have been stamped out, at least for now.

Others from President Johnson on down, played important roles, and considerable credit is due to Ambassador Goldberg at the United Nations, who worked tirelessly, almost around the clock, as coordinator of the American peace-keeping effort with those of the U.N. and its members. But it was Mr. Vance, who left his job as Deputy Secretary of Defense earlier this year to rest an ailing back, who carried the big burden. It was his readings of the temper and intentions of the conflicting parties that were crucial to the shaky understanding that was reached. He was thrown into the crisis with no particular expertise to help him and little time to do his homework. Yet he came quickly to the heart of it: Turkey was in no mood for half-baked solutions; if no major concessions were forthcoming from Greece, the Turks were ready for war. The necessary concessions were worked out, all around, though it remains to be seen just how reasonable President Makarios of Cyprus is going to be.

In any case, the threat of war between two NATO partners—with all that this would mean—has been put off once more. History warns us not to expect that the threat may not recur another day. But this does not subtract from Mr. Vance's job well done. This is his second major contribution to the country since his "retirement" early this year; during the summer he answered the President's call to help damp down the rioting in Detroit. He deserves the country's thanks.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS ACT OF 1967

The Senate resumed the consideration of the bill (H.R. 7819) to strengthen and improve programs of assistance for elementary and secondary education by extending authority for allocation of funds to be used for education of Indian children and children in overseas dependents schools of the Department of Defense, by extending and amending the National Teacher Corps program, by providing programs of education for the handicapped; to improve authority for assistance in schools in federally impacted areas and areas suffering a major disaster; and for other purposes.

AMENDMENTS NO. 489

Mr. LAUSCHE. Mr. President, I call up my amendments No. 489.

The PRESIDING OFFICER. The clerk will state the amendments.

The assistant legislative clerk proceeded to read the amendments.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with, and that they be printed in the RECORD.

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

The amendments (No. 489) are as follows:

On page 55, beginning with line 16, strike out all through the period in line 19 and insert in lieu thereof the following: "and $500,000,000 for the fiscal year ending June 30, 1968, and for each of the three succeeding fiscal years.".

On page 84, line 3, beginning after the colon strike out all through line 7 and insert in lieu thereof the following: " 'and $65,000,000 for the fiscal year ending June 30, 1968, and each of the three succeeding fiscal years,'.".

On page 88, line 16, beginning with "$20,000,000" strike out all through line 18 and insert in lieu thereof the following: "and for each of the three succeeding fiscal years.".

On page 98, line 13, beginning with "$8,000,000" strike out all through line 16 and insert in lieu thereof the following: "and for each of the three succeeding fiscal years."

On page 104, line 1, beginning with "$3,000,000" strike out all through line 4 and insert in lieu thereof the following: "and for each of the three succeeding fiscal years.".

On page 109, beginning with line 14, strike out all through line 17 and insert in lieu thereof the following:

(e) Section 4 of such Act is amended by striking out "$5,000,000" and all through the remainder of such section and inserting in lieu thereof the following: "and $8,000,000 annually for each succeeding fiscal year thereafter.".

On page 111, line 9, beginning with "$3,500,000" strike out all through line 13 and insert in lieu thereof the following: "and not to exceed $3,500,000 for the fiscal year ending June 30, 1968, and each of the three succeeding fiscal years'.".

On page 131, line 8, beginning with "$150,000,000" strike out all through line 12 and insert in lieu thereof the following: "and $150,000,000 for the fiscal year ending June 30, 1968, and for each of the three succeeding fiscal years'.".

On page 131, line 20, beginning with "$150,000,000" strike out all through line 24 and insert in lieu thereof the following: "and $150,000,000 for the fiscal year ending June 30, 1968, and for each of the three succeeding fiscal years'."

On page 137, line 7, beginning with the quotation marks strike out all through line 11 and insert in lieu thereof the following: "all after 'June 30, 1968,' and inserting in lieu thereof the following: 'and for each of the three succeeding fiscal years, for the purposes of this title'.".

On page 140, beginning with line 7, strike out all through line 9 and insert in lieu thereof the following: "and for each of the three succeeding fiscal years.".

On page 150, line 1, beginning with the semicolon strike out all to but not including the period in line 4.

The PRESIDING OFFICER. Does the Senator from Ohio wish to have his amendments considered en bloc?

Mr. LAUSCHE. Yes.

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

Mr. LAUSCHE. Mr. President, the bill pending before the Senate covers authorizations for 4 years. The authorization for fiscal year 1968 is not questioned at all by my amendments. My amendments do challenge, however, the authorizations for fiscal years 1969, 1970, and 1971.

Considering the bill that is before the Senate, and considering the already completed and executed legislation dealing with fiscal year 1968, the committee's bill envisions expenditure of the following amounts:

For fiscal year 1968, $3,965 million.
For fiscal year 1969, $4,141 million.
For fiscal year 1970, $4,711 million.
For fiscal year 1971, $5,056 million.

My amendment, if adopted, would fix the amount of the authorization for fiscal year 1968, $3,900 million, as the authorization for each of the fiscal years 1969, 1970, and 1971. In other words, the maximum authorized expenditure, under my amendments, would be the figure of $3,900 million, as already authorized for 1968, multiplied by 4. I have figures in a file which will be brought to me in a few minutes illustrating the difference between the total expenditure under my amendments and the amount provided in the committee bill.

My present recollection, not having the memorandum before me, is that under my amendments, the authorized expenditures for the 4-year period would be approximately $2.5 billion less than as recommended by the committee.

The question may be asked, why do I suggest cutting the authorizations for the years 1969, 1970, and 1971? I should like, at this time, to point out the facts upon which I have predicated my amendments.

I wish to establish, and I believe I can, that the amounts which I recommend are ample to provide a program adequate to achieve the objectives of the most friendly minded toward more extensive participation of the Federal Government in the educational programs of this country.

To understand the facts upon which I predicate my conclusion that the authorizations for the 3 years should be cut, I direct the attention of Senators to the situation that prevailed in fiscal year 1967, which ended at midnight June 30, 1967. The authorization for the program for fiscal year 1967, which is gone and past, was $2,300 million. The amount appropriated under the authorization for fiscal year 1967 was $1,800 million or, in other words, $500 million less than the amount authorized.

I specifically and emphatically call to the attention of my fellow Senators the fact that for fiscal year 1967, there was appropriated but $1.8 billion. We now move from 1967 to 1968. The increase in authorized expenditures from fiscal year 1967 to fiscal year 1968, which is now in progress, is clearly evident from the fact that we have authorized for 1968, in round figures, $4 billion. The authoriza-

tion for fiscal 1968, the current fiscal year, is 100 percent more than the amount of the appropriation for 1967. For fiscal year 1967, as I have stated, there was appropriated $1.8 billion. For the present fiscal year, we authorized $4 billion and we have appropriated $2 billion. The authorization is twice the amount of the appropriation.

I now move to the fiscal year 1969. For the fiscal year 1969 the bill pending before the Senate recommends $4,500 million, although we appropriated only $2 billion for the fiscal year 1968.

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

Mr. LAUSCHE. I yield.

Mr. MILLER. Mr. President, does the Senator from Ohio have the figure for the budget request?

Mr. LAUSCHE. I do not have that figure before me. However, it will be made available at a later date. Perhaps the staff members can provide it. I am building my case upon the fact that we are multiplying and multiplying the authorizations when there is no need for doing so.

Mr. MILLER. I think that the Senator from Ohio is doing an excellent job of it. However, I think it would be helpful to have the whole picture before us.

Mr. LAUSCHE. Mr. President, I will present that information separately, and build the case logically now as I contemplate it.

The Senate bill recommends that $4.5 billion be authorized. The House of Representatives authorized $4.1 billion.

The amount of the committee recommendation is 150 percent more than the amount spent in 1967. In the course of a 2-year period we are asked to increase the authorization by that much.

I now move to the fiscal year 1970. The committee bill recommends $4,711,000,000 for the year 1970. Only $2,000,000,000 was appropriated for the 1968 fiscal year, the present fiscal year. But the recommendation of the Senate committee is that $4,711,000,000 be authorized in spite of the fact that only $2,000,000,000 was appropriated for 1968. We are being asked to authorize two and one-fourth times as much for 1970 as the appropriation for 1968.

Mr. President, I have so far covered 1968, 1969, and 1970. I now move to the fourth year of the authorizations contained in the pending bill.

The committee recommendation for authorization for the fourth year is $5 billion. We appropriated $1,800 million for 1967. It is now suggested that we authorize $5 billion for 3 years later. That is almost three times the amount appropriated for 1967.

If my amendment is agreed to, it will provide for an authorization in the amount contained in the 1968 authorization. That amount is $3,900 million. The same amount, $3,900 million, will be authorized for each of the succeeding years, 1969, 1970, and 1971.

I submit to the Senate that with the stringent financial conditions which confront our country, we ought not to continue to expand the ability to spend by means of increased authorizations. There ought to be a halt to this procedure. There should especially be a halt because the latitude of authorization over the amount actually appropriated in past years is so great as to demonstrate that we need no further increase in authorization.

It might be argued that the mere authorization of a certain amount of money does not mean that that amount will be appropriated. My reply to that argument is that excessive authorizations constitute an inducement for excessive appropriations.

I think the Senate ought to have something to say about this procedure and act as a body upon both the authorization and the appropriation.

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

Mr. LAUSCHE. I yield.

Mr. BYRD of West Virginia. Mr. President, in view of the fact that the Senate will vote at 2 o'clock under the unanimous-consent agreement, will the Senator yield, with the understanding that immediately following the vote on the convention, the distinguished senior Senator from Ohio will be recognized so that he might continue with the presentation of his amendment?

That would allow us to put in a very brief quorum call before the vote.

Mr. LAUSCHE. I am very glad to do that.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator from Ohio [Mr. LAUSCHE] be recognized immediately following the vote on the convention and the return to legislative business.

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

## ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## EXECUTIVE SESSION

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Senate, under the unanimous-consent agreement entered yesterday, will now go into executive session to vote on the resolution of ratification to Executive K, 90th Congress.

## PROTOCOL FOR THE FURTHER PROLONGATION OF THE INTERNATIONAL SUGAR AGREEMENT

The Senate, as in Committee of the Whole, resumed the consideration of the treaty (Ex. K, 90th Cong., first sess.), the Protocol for the Further Prolongation of the International Sugar Agreement of 1958, done at London, November 14, 1966.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. BYRD of West. Virginia. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Hawaii [Mr. INOUYE], the Senator from Utah [Mr. Moss], and the Senator from Connecticut [Mr. RIBICOFF] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Maine [Mr. MUSKIE], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Hawaii [Mr. INOUYE], the Senator from Utah [Mr. Moss], the Senator from Maine [Mr. MUSKIE], and the Senator from Connecticut [Mr. RIBICOFF] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Kentucky [Mr. COOPER], and the Senator from Idaho [Mr. JORDAN] are absent on official business.

The Senator from Vermont [Mr. PROUTY] is absent because of illness.

The Senator from Oregon [Mr. HATFIELD], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Oregon [Mr. HATFIELD], the Senator from Idaho [Mr. JORDAN], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would vote "yea."

The yeas and nays resulted—yeas 84, nays 0, as follows:

[No. 374 Ex.]

YEAS—84

| | | |
|---|---|---|
| Aiken | Griffin | Mondale |
| Anderson | Gruening | Monroney |
| Baker | Hansen | Montoya |
| Bartlett | Harris | Morse |
| Bayh | Hart | Morton |
| Bennett | Hartke | Mundt |
| Bible | Hayden | Murphy |
| Boggs | Hickenlooper | Nelson |
| Brewster | Hill | Pastore |
| Brooke | Holland | Pearson |
| Burdick | Hruska | Pell |
| Byrd, Va. | Jackson | Percy |
| Byrd, W. Va. | Javits | Proxmire |
| Cannon | Jordan, N.C. | Randolph |
| Carlson | Kennedy, Mass. | Smathers |
| Case | Kennedy, N.Y. | Smith |
| Church | Kuchel | Sparkman |
| Clark | Lausche | Spong |
| Cotton | Long, Mo. | Stennis |
| Curtis | Long, La. | Symington |
| Dirksen | Magnuson | Talmadge |
| Dodd | Mansfield | Thurmond |
| Dominick | McClellan | Tydings |
| Eastland | McGee | Williams, N.J. |
| Ervin | McGovern | Williams, Del. |
| Fannin | McIntyre | Yarborough |
| Fong | Metcalf | Young, N. Dak. |
| Gore | Miller | Young, Ohio |

NAYS—0

NOT VOTING—16

| | | |
|---|---|---|
| Allott | Inouye | Ribicoff |
| Cooper | Jordan, Idaho | Russell |
| Ellender | McCarthy | Scott |
| Fulbright | Moss | Tower |
| Hatfield | Muskie | |
| Hollings | Prouty | |

The PRESIDING OFFICER. Two-thirds of the Senators present and voting, having voted in the affirmative, the resolution of ratification is agreed to.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the President be immediately notified of the ratification of the protocol.

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

## LEGISLATIVE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

## ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS ACT OF 1967

The Senate resumed the consideration of the bill (H.R. 7819) to strengthen and improve programs of assistance for elementary and secondary education by extending authority for allocation of funds to be used for education of Indian children and children in overseas dependents schools of the Department of Defense, by extending and amending the National Teacher Corps program, by providing programs of education for the handicapped; to improve authority for assistance in schools in federally impacted areas and areas suffering a major disaster; and for other purposes.

The PRESIDING OFFICER. Under the order previously entered the Chair recognizes the Senator from Ohio.

Mr. BYRD of West Virginia. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Ohio may proceed.

Mr. LAUSCHE. Mr. President, while there is a goodly number of Senators in the Chamber I believe I can rather quickly give to them an understanding of what my amendment would do.

First, my amendment would not at all affect the authorization for the fiscal year we are now in. The fiscal year 1968 would remain exactly as it is. However, the amendment would reduce the authorizations for 1969, 1970, and 1971. For the fiscal year 1967, which is completed and over, Congress authorized $2.3 billion. There was appropriated $1.815 billion. The fiscal year 1968 appropriations have already been completed. The appropriations have already been made. My amendment would not affect 1968 at all.

For 1968 there has been authorized $4 billion; there has been appropriated $2 billion. The authorization is 100 percent more than the appropriation. I propose to continue the 1968 program dollar-for-dollar through 1969, 1970, and 1971. My amendment would cut the proposed authorizations for the years 1969, 1970, and 1971.

If the Senate or the Congress should feel that the authorizations for those 3 years should be increased, we would be able to do so in 1969, 1970, or 1971, in whichever year we might choose.

Now the query may be presented: How much would my amendment reduce the total authorizations that will possibly be made? My amendment, if adopted, would reduce the authorizations by $2.4 billion covering 1969, 1970, and 1971. The authorization for 1968 would remain unchanged.

I do not see the Senator from Oregon in the Chamber. Possibly he just stepped out, but I want to inform him——

Mr. MORSE. I heard every word.

Mr. LAUSCHE. I thank the Senator. I want him to hear this because it is significant. The committee amendment proposes a $3,000 level of income on the basis of which the children of families earning less than $3,000 may be counted for special Federal aid. My amendment would not affect at all the authorizations to finance that program.

Mr. MORSE. Will the Senator from Ohio yield at that point?

Mr. LAUSCHE. I yield.

Mr. MORSE. That is present law. We are not proposing anything different. That is what present law is.

Mr. LAUSCHE. Yes. But I was apprehensive that the Senator from Oregon might think the amendment precluded authorization of moneys to finance that program. The House version does preclude its financing.

The amendment would allow appropriations for whatever amounts were needed to finance that change in the eligibility formula for families below what are called the standard incomes.

That, in substance, is my amendment, Mr. President. Its motivation is that we are in a period of fiscal stringency. The President is crying out for a 10-percent surtax. Others are asking not only for a surtax, but also a decrease in the expenditure of moneys.

I submit that the purpose of serving the blind, the handicapped, and those otherwise physically incapacitated is an excellent objective; but under the moneys authorized by the 1968 program of $3,900 million which is 2.1 percent more than we spent in 1967, I submit that all of these laudable objectives can be carried into effect.

My amendment would permit the authorization, as I said, of $4 billion for 1968; $2 billion has been appropriated, one-half of what has been authorized. For 1971, the last year of the authorization as set forth in the bill, the committee recommends an authorization of $5 billion, 2½ times more than has been appropriated for this year.

I submit most respectfully that there is no need for that kind of income in the authorization.

Mr. President, I yield the floor.

Mr. HOLLAND. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. HOLLAND. Do I correctly understand that what the Senator is seeking to do is to cut each of the authorizations for the 3 years which follow 1968 as contained in the bill?

Mr. LAUSCHE. That is correct.

Mr. HOLLAND. What is the total amount of the cuts for the 3 years that the amendment of the Senator from Ohio, if adopted, would effect?

Mr. LAUSCHE. A total of $2,400 million.

Mr. HOLLAND. For the 3 years together?

Mr. LAUSCHE. For the 3 years—1968 is the last year, after which the cuts would be made in 1969, 1970, and 1971. The total amount of the cuts for those 3 years under the 1968 authorization would be $2,400 million.

Mr. HOLLAND. If the Senator from Ohio would allow me to say so, I appreciate the fact that he is offering this amendment and I hope that it will be adopted.

So that the Senate may have the background against which the Senate is operating at this time, I should like the RECORD to show that at this very moment, in conference between the Senate and the other body, we are endeavoring to cut the appropriation already made for this year by an additional substantial percentage.

We have been notified by the President that if we do not cut controllable appropriations he proposes to do so.

We feel—at least I feel—that it would be much better for Congress to do it itself and have a fixed level which the Nation, every agency of Government, and the world can regard as a level which can be accomplished during fiscal 1968. It seems so completely unreasonable for us to be asked at this same time, when we are in financial stringency and when the appropriation committees have never been willing to appropriate anything like the existing authorization for this program, to be asked in the Senate and in the other body to increase heavily an authorization for the next 3 years. This does not seem to me to be a reasonable or defensible course of action. It would indicate, in advance, that we do not propose to effect economies when I think that all of us are committed to effectuate economies.

I therefore hope that the amendment of the Senator from Ohio will prevail. It will put the Senate in a much stronger position and in a much more defensible position than it would be placed in if it adopted a bill with a very large increase in authorizations for the 3 years affected by the Senator's amendment.

I thank the Senator from Ohio for yielding to me.

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

Mr. LAUSCHE. I yield.

Mr. BYRD of Virginia. I feel that the Senator from Ohio has taken a courageous position today, particularly in view of the fact that he comes up for reelection next year. All of us know that it is a lot more popular to advocate spending than it is to put a brake on some of the spending that is going on in Washington.

I feel that the facts the Senator from Ohio has pointed out should be made available to the people of our Nation. Here is what they are. During the cur-

rent fiscal year, 1968, the appropriations for the programs under the pending legislation total $2 billion. The authorizations proposed now in the pending legislation are, for the next fiscal year, 1969, $4.5 billion. For the fiscal year 1970, they are $4.8 billion, in round numbers. And for the fiscal year 1971, $5.1 billion.

What the Senator from Ohio proposes is that the current authorization of $3.965 billion be the authorization for the years 1969, 1970, and 1971. This figure of $3.965 billion is almost exactly twice the appropriation for the current fiscal year.

Mr. President, it seems to me that the new authorization figures which are presented to the Senate by the committee are unreasonable. It seems to me they are clearly unreasonable. What the Senator from Ohio wants to do, and what his amendment does, is to hold the authorizations for the next 3 years at the same figure that is authorized for this year; namely, $3,965 billion, which is almost exactly double the amount of money which has been appropriated for this fiscal year.

I commend the Senator from Ohio on the position he has taken. I shall be glad to support his amendment.

Mr. LAUSCHE. Mr. President, the Senator from Virginia emphasizes a very important aspect of the issue that is before us. He pointed out that, while we authorized the expenditure of $3.965 billion for this fiscal year, the Appropriations Committee appropriated $2 billion. So there is a latitude of $1.965 billion under the existing authorization with which to expend the moneys used to help the blind, the handicapped children, the disabled adults, adults who need education, bilingual education, and so forth.

If the Appropriations Committee wants to increase the amounts granted in 1969, it will have, under my amendment, a latitude of $1.9 billion.

Under the authorization recommended by the committee, it would have a latitude of $2.5 billion for 1969, $2.8 billion for 1970, and $3.1 billion for 1971.

My contention is that it is not necessary. Mr. President, if I thought that the authorization was not adequate to fully and reasonably implement every one of the programs contemplated by the great jump that was made in Federal aid to education between 1967 and 1968, I would be the first one to oppose any cut in the authorization. Ample moneys are authorized—2½ times more for next year than has been appropriated this year.

Why do I offer this amendment? I stated my reasons yesterday, in part. Every day the newspapers are reporting the problem of the increased cost of living. Every day the newspapers are reporting the outflow of gold from the United States into foreign countries. We have $13 billion worth of gold, $11 billion of which is tied to the support of our paper currency issued by the Federal Reserve banks. Two billion dollars in gold is available to meet $30 billion in potential, immediate demands for payment in gold that can be made by the foreign creditors of the United States.

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

Mr. LAUSCHE. Yes, I yield.

Mr. HOLLAND. I am glad the Senator is emphasizing and accentuating and reaccentuating this point. The Senator from Virginia [Mr. BYRD] has done the same thing.

From another point of view, let me place this in the record. The Senator from Florida has the responsibility of serving on the Appropriations Committee. He is standing by the able Senator who heads important activities of that committee, and near the able chairman of that committee. They will both remember that the Senator from Florida has repeatedly taken the position that in fixing amounts for appropriation we should stay close to the authorizations and that it looks awfully bad for the Senate one day to authorize a program, as we have done in some cases for foreign aid, and the very next day have the Appropriations Committee report in a bill one-half million, let us say, less than the authorization made the day before.

The trouble is that the authorizing committees have just been too generous in many cases in their recommendations. That is certainly the case here. The history of the past in this program shows that conclusively.

The distinguished Senator from Ohio has just shown that the appropriation for this year is just a little over half of the authorization for this year. The Senator from Florida has already said the conference committee meeting on this subject is seriously considering a further cut out of the $2 billion. If it were applied, a cut of 10 percent would be a cut of $200 million out of the $2 billion in the appropriation.

Mr. LAUSCHE. Is that bill in conference?

Mr. HOLLAND. This is in the matter of the conference on the continuing resolution. The House, the Senator will recall, put in certain amendments reducing expenditures for 1968 on their version of the continuing resolution, and that brings up this matter.

It seems to me it would be much more realistic, that it would appeal much more to the commonsense of the people, if the Senate tried to keep these authorizations at a reasonable level and then get the appropriations up to the authorizations. That is the way the Senator from Florida feels about it. He is always disturbed when he finds these authorizations much higher in level than the Senate, when it gets down to appropriating the money, will agree to.

I simply hope that the Senate will listen to the able argument of the Senator from Ohio and the Senator from Virginia, and will make such reductions in these authorizations as will put this bill in a more realistic frame as we face the future.

I thank the Senator for yielding.

Mr. LAUSCHE. I thank the Senator from Florida very sincerely for the expressions he has made. I did not know that the appropriation measure dealing with this program is in conference.

Mr. HOLLAND. No, Mr. President; perhaps I have not made it clear.

The continuing resolution which is in conference contains two amendments placed on it by the other body, which in effect would cut very heavily expenditures for 1968. We are trying to reach some common ground with the House conferees.

The present matter being very seriously considered by the conference committee involves a 10-percent cut on controllable appropriations for this year, and that would include a $200 million cut out of this $2 billion appropriation.

I simply call attention to that fact, that while we are pulling in that direction in an effort to attain fiscal responsibility and some sense of balance as between our income and our outgo, as between our revenues and our expenditures, we are asked here, on the floor of the Senate, to step up authorizations to a level which we know we will never reach.

It is that practice to which I am objecting, as vigorously as I know how.

Mr. PASTORE. Mr. President, will the Senator from Ohio yield for a question?

Mr. LAUSCHE. I yield.

Mr. PASTORE. I am very much interested to know—and if the Senator from Ohio cannot answer the question, I suppose the Senator from Oregon will—how do these authorization figures compare with the bill passed by the House of Representatives?

Mr. LAUSCHE. The bill passed by the House of Representatives for 1969 is for $4.1 billion. The recommended figure we have before us is $4.5 billion-plus, or $365 million more than the House has recommended.

I do not have the House authorizations for 1970 and 1971 in the tabulation that has been given to me. But for 1969——

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

Mr. LAUSCHE. I yield.

Mr. MORSE. That is because they did not extend it to the other years. It is not included in their bill. They did not extend it.

Mr. LAUSCHE. That, I would suggest, indicates that the House of Representatives feels that we should wait until 1970 and 1971 before we begin authorizing, to see what our financial position will be.

Mr. MORSE. But it does not act for the Senate committee.

Mr. LAUSCHE. That is right. But why did not the House authorize for 1970 and 1971?

Mr. MORSE. I cannot testify to that.

Mr. LAUSCHE. I can answer that.

Mr. MORSE. I am glad the Senator can. I cannot.

Mr. LAUSCHE. It is just plain reasoning. They feel that with the pursestrings tight, we should not plunge into 1970 and 1971 until we know where we stand financially.

Mr. MORSE. I am perfectly willing to have the Senator from Ohio say that, but I suggest he had better wait until we come out of conference.

Mr. LAUSCHE. Are we not in deep disagreement with the House of Representatives on the matter of the formula for impoverished children?

Mr. MORSE. I am not at all worried about coming out of conference with a very satisfactory bill.

Mr. LAUSCHE. But we are in disagreement. They have written into their bill

that the old formula on impoverished children qualifying for special aid and the amounts that are given to schools shall not be effective until Congress funds the program.

Our bill says whether it is funded or not funded, the formula shall remain in effect; and my amendment would not change that. My amendment would permit the type of funding of the program which would say that a school district shall ascertain how many families there are within that district having incomes of $3,000 or less, determine how many children are in those families, and then provide a special bonus to help those poor school districts operate.

Mr. President, in conclusion, I feel deeply that the amounts proposed in my amendments—$3,965 million for 1968, and the same amount for each of the next 3 years—are adequate to meet whatever appropriations the committee will make, reasonably consistent with the problem that we are trying to solve.

I yield the floor.

The PRESIDING OFFICER. What is the will of the Senate?

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

Mr. MORSE. Mr. President, will the Senator withhold that request?

Mr. BYRD of West Virginia. I withdraw my request.

Mr. MORSE. Mr. President, I shall not speak at great length in answer to the arguments of the Senator from Ohio and the Senator from Virginia, but I do wish to record my opposition to their proposal.

On the desk of each Senator are 12 volumes of hearings of our committee—a total of more than 3,000 pages. I am not sure that all my fellow Senators know the general format of our Education Subcommittee hearings. A scanning of the record of the hearings will bear our what I now say, however—that by and large, we conduct seminar hearings, in which we bring in a panel of recognized authorities and experts on the subject matter to be handled at that point of our hearings. They conduct a seminar for us. We are the students. We participate in the examination.

I wish to say that we are very proud of the information that we bring to the Senate each year in support of our recommendations, because it is never necessary for me to make an argument outside of the record. When I present a point of view to the Senate in support of a recommendation, I can always turn to the record to find the authority that I, in fact, am cribbing on, so to speak. I am using their arguments.

Mr. President, we have carried out the obligation of a legislative committee. That obligation is to conduct hearings on the proposals submitted to us by the administration. By and large, these 3,000 pages deal with the administration's bill, subject, may I say, to some modifications and some additions to it. But I can say that without exception, Mr. President, the administration was fully notified with respect to any changes that we made; and I can say also that we gave to the administration first the notice, and then the opportunity to come before us and testify on any proposed change, or to submit memorandum, if they preferred, on any proposed changes. That is what we have done this year, without exception.

Mr. President, I am not saying that the administration authorizes me to say that it accepts every change that we have made.

The administration has not opposed anything after full notice and opportunity to present a point of view in respect to these proposals have been given.

Mr. President, I do not question at all the convictions of the Senator from Virginia and the Senator from Ohio. I am only sorry that the Senator from Ohio [Mr. LAUSCHE] is not present. However, I will tell him what I say. He knows what I am going to say, anyway.

Mr. President, the Senator from Ohio and the Senator from Virginia come to the floor of the Senate and, in a matter of a few hours, decide that they will set aside the factual material contained in these 3,000 pages, the supporting evidence for the recommendations for the Senate legislative committee on education, and rather arbitrarily say: "We are going to keep the authorization at the figure that it is this year."

If that is not a meat-ax approach to an authorization bill, I do not know how we could have a meat-ax approach. There are so many things that require additional appropriations that it would take me a long time to go through each of these volumes and point out the case that has been made for each program I have mentioned.

However, before I cite a few, I point out that this is a bipartisan bill.

I point out that the pending authorization bill was voted for by everyone that voted. And all of the members of the subcommittee and the full committee voted except one member who was absent. So, it is a unanimous report of the committee members, save one.

To give an example of how bipartisan it is, the Senator from Colorado [Mr. DOMINICK] proposed, for example, a project that required an additional $50 million to be placed in the bill for special incentive grants to poorer States that make an extra effort.

We have had incentive programs before us in the past. The chairman of the subcommittee has always supported the concept. We need an incentive to the States. Some may be considered to have deficient educational systems because of a lack of natural resources and wealth.

Many of those States are sacrificing a great deal in raising the money to support their schools. So, what the Dominick amendment did was add $50 million to the pending bill as an incentive inducement to these and other States to make even a greater sacrifice.

I wonder if the Senator from Ohio and the Senator from Virginia would oppose that recommendation if they were members of the committee and heard the evidence we heard.

Mr. President, the Senator from California [Mr. MURPHY] was on the floor of the Senate a moment ago. He proposed an additional program—and I am merely citing some of our new programs—that would cost $30 million. That program would help schools to correct dropout problems.

I wonder if the Senator from Ohio and the Senator from Virginia want to question the committee in regard to whether we should have a special problem in respect to school dropouts? Can they deny all the evidence in the volumes on the desks as to what it costs us economically in losses to each State because of dropouts?

Can we take the position that we will not have any change for 3 years? Are we going to ignore the situation for 3 years?

I think my committee is to be highly commended because by the year 1971 under the authorization and recommendations that my committee proposes for 1971, we will have finally reached the equivalent for education of the present appropriation of more than $5 billion to put a man on the moon. That shows how conservative my committee is fiscally.

I am much more interested in putting dropouts back in school than I am in putting men on the moon. I am much more interested in carrying out the obligation I talked about in the course of the debate yesterday afternoon to the little boys and girls of this country of seeing to it that we do not deny to any little boy or girl the opportunity and the right to develop to the maximum extent possible the intellectual potential of that boy or girl irrespective of the color of his or her skin.

That is what we are proposing by way of an authorization bill. That is the obligation we owe the Senate—to bring to the Senate an authorized program that, on the basis of the evidence submitted to us, meets those standards and needs that ought to be met, and that we cannot justify not meeting.

That is what the pending authorization bill is all about.

It is true that an authorization bill is not an appropriation bill. It is true that an appropriation committee takes into consideration entirely different criteria from the criteria that a legislative committee has to consider. However, as I listened to some of the arguments in the course of this debate, apparently there are some—and I am sorry that some of them seem to be on the Appropriations Committee, that seem to think an appropriations committee should act as an authorization committee as well as an appropriations committee.

That has been a growing trend in the Senate for some years. And the senior Senator from Oregon has protested it time and time again, and does so again.

We must keep the functions of legislative and appropriations committees completely separate. The Appropriations Committee is not authorized by the Senate to set up and apply the criteria used by a legislative committee.

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

Mr. MORSE. I yield.

Mr. BYRD of West Virginia. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, the Appropriations Committee has the authority of the Senate to decide, in view of the total fiscal problems of our country, how

much of the authorization amounts in the various bills it feels from the standpoint of fiscal policy it should approve.

I am not quarreling with its jurisdiction. However, I certainly rise to defend the important jurisdiction of a legislative committee. The discussion that I heard within the last 10 minutes about the difference between authorizations and the amounts finally appropriated and the belief that the amounts contained in authorization bills should be close to the amounts contained in appropriations bills is just irrelevant to the task before the Senate at the present time. This legislative committee of mine should not be controlled by the potential action of an appropriations committee in future.

The Senate and the people of this country are entitled to have this legislative committee bring before the Senate the work that these 12 volumes represent.

As to what the legislative program of this country should be legislatively speaking in order to meet the educational responsibilities of the Federal Government, I hope we hear no more in the debate on this amendment about the legislative committee trimming its authorizations to various speculations and projects as to what an appropriations committee will do. If my committee does that, we become a dishonest committee intellectually. We become a committee then that is playing cheap, expedient politics with the school boys and girls of this country. And I can speak for a unanimous committee when I tell you that not a man on that committee will so stultify himself. I am proud to stand here as a spokesman for a united committee, in presenting to the Senate this afternoon an authorization bill in respect to what the educational needs of this country are and what Congress should authorize, what the Senate should authorize, if the funds can be made available for the appropriations.

But here are two duties that I most respectfully say the Senator from Ohio, the Senator from Virginia, and the Senator from Florida—in his argument a few moments ago—seek to intermingle and intermix and therefore destroy the identity and the purpose of an authorization bill.

Mr. President, these volumes speak for themselves. I welcome any Senator to rise at any time and tell me whether or not the committee has failed to carry out its authorization duties as we have brought to the Senate what the facts show are the educational needs of the boys and girls of this Republic.

Mr. President, I speak kindly, and I speak most respectfully, and I do not speak critically in any personal sense. But I think of the weeks that my committee has wrestled with the many programs that are involved in these 12 volumes, with the documentation—unanswerable, so far as the evidence is concerned—and then I come to the floor of the Senate and hear my two good friends, the Senator from Ohio and the Senator from Virginia, in effect, so far as my judgment is concerned, just sweep those 12 volumes aside, without talking about a single volume and pointing out a single program in which they believe the evidence does not support the findings of the committee. Irrespective of the programs that were discussed in the evidence of our hearings, how can we dogmatically say the authorizations shall never be more for the next 3 years than for this year. If that is not a meat-ax approach, I do not know what a meat-ax approach is.

Let me call this situation to the attention of the Senator from Ohio, the Senator from Virginia, and the Senator from Florida, or any other Senator who shares the point of view that we should automatically and dogmatically fix an authorization for the next 3 years at the level of the present authorization, irrespective of what the evidence in these 12 volumes shows to be the needs of the boys and girls of this Republic in the next 3 years. Let me cite a project.

I was shocked. I did not realize that we have this many little boys and girls in the country who are both deaf and blind. Those poor, little human beings do not have much of a chance in life. If they happen to be a tragic child of a wealthy family, they have a better chance. But if they are out of the ghettos or if they are out of a poverty stricken home—and I will not go into any discussion of the various causes of why they are deaf and blind; I will just limit myself to discussing those children as they are—they have little hope of proper education.

You see, I have held to the point of view that the Government of the United States must never be allowed to become impersonal in its relationship to the citizens of this country; for if you are going to have a free society of self-government by the people of that society, you must at all times translate into legislation great moral and humanitarian principles and policies. Oh, yes, you can talk about holding authorizations to the level of this year for the next 3 years. But if you do, you will have to forget about the many little boys and girls who are both deaf and blind.

Let me point out what the record shows as to the miracles that are taking place in our educational processes, in bringing to these children some educational light, some happiness, some facility and ability to understand what is going on around them, even though they cannot see and hear. Do you want to deny it to them?

"Oh," you say, "Mr. Senator, you're just picking a special case." I am not picking a special case. If necessary, I can speak on the floor of the Senate for 10 hours, discussing project after project in these 12 volumes, which we, the people, are doing nothing about today, but about which our moral obligations dictate to us, as a people, we should do something. Yet, we get an argument on the floor of the Senate that adds up, in fact, to a penny wise-pound foolish argument—an argument that we are going to put the dollar sign above humanity and above doing what we know we should do.

We bend the knee on Sunday and express our spiritual beliefs. Well, I happen to believe that we should practice those spiritual beliefs 24 hours a day, 7 days a week.

I am speaking now about a great moral issue that we owe the boys and girls of this country, with regard to passing the authorization this afternoon that should be passed, in order to have the blueprint as to what a free people should do in carrying out our obligation to the greatest wealth we have; namely, the potential brainpower of the youth of the Republic.

Well, let me tell you what we are doing. We listened. We had the seminar. We heard the experts. They told us what relief and aid can be brought to those little boys and girls who are both deaf and blind, and we adopted the minimum figure to get such a program started. And what is the minimum figure?

Mr. President, to carry out that humanitarian obligation we must build centers to provide services to take care of these little boys and girls who are both deaf and blind. For the first year there is provided $1 million for planning; for the second year it goes up to $3 million; then $7 million; and then $9 million.

Let me hear the voice of some Senator, any Senator, who wants to say to the American people that he was justified in voting for an appropriation, not an authorization, but an appropriation for more than $5 billion this year to support our NASA program to put a man on the moon, who does not think he should vote $1 million to start planning for some institutes to put a great many hundreds of little boys and girls who are both deaf and blind in a training program. I know it is a tough challenge. I know that no one can answer it or meet it.

Mr. President, all you can do is brush that challenge under the rug, as the Senator from Ohio and the Senator from Virginia apparently are willing to do when they want to gut this bill with an amendment that would hold authorizations at the present level, which means you cannot carry out the improvements that the experts testified are needed if we as a free people are going to meet the educational needs of the boys and girls of this country.

If anyone wishes to challenge my stand by suggesting that I cite other examples, I shall, but I think I have made my point with respect to the kinds of programs. We have programs here for the handicapped. We have an entire group of programs.

I shall now turn to the next point I wish to make in answering my two friends. I want to say that when you talk about cutting back on Federal funds, what you are doing is saying to the States, "You are going to have to raise more money in the States."

If one listens to the Senator from Ohio and the Senator from Virginia, does he think that if there is a cutback on these Federal funds, the taxes are not going to have to be raised for these services elsewhere? The whole idea of Federal aid is to aid the States, which are already overburdened with aggressive taxation policies at the State level so that funds may be raised to supplement the support given our schools at the State level.

Every Senator knows that the property tax in State after State is already at the saturation point for money that can be raised to support the schools. School bond issue after school bond issue is being defeated at the local level across the coun-

try because of the already saturated tax burden. We have sought to come to the assistance of these States which are facing such a great tax burden.

In effect, the Senator from Ohio and the Senator from Virginia are saying that the Federal Government should not come to their assistance as recommended by this committee. The issue is whether or not the evidence in the hearing volumes supports the committee. I challenge the Senator from Ohio and the Senator from Virginia to pick up a single volume and point out to me what project is not supported by the preponderance of the evidence in our hearings.

Mr. President, I am sorry if I call upon them to meet the tests of a courtroom, but they want a verdict out of the Senate this afternoon without the discussion of the evidence. Therefore, I am challenging them to come to the floor of the Senate and cite the evidence.

Mr. President, we have a situation in which we have a choice. If this is not done at the Federal level, there is a choice of raising more money at the State level. Let Senators who believe in that go home and tell their States that, for you have a duty to tell your States that. Let them go home and tell their States that. The other choice is to deny to these boys and girls at the State level the services they should have, because the money is either raised at the State level, or it is raised at the Federal level, or there is denied to them educational training.

Mr. President, I close by saying again today what I said yesterday. For every dollar you think you are saving in educational authorization and appropriation, the American people will lose a minimum of $4 to $6 because of the cost that the failure to supply that education will cost Republic.

Mr. President, I rest my case. I am ready to vote.

Mr. LAUSCHE and Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. LAUSCHE. Mr. President, have the yeas and nays been ordered?

Mr. BYRD of West Virginia. The yeas and nays have been ordered.

Mr. LAUSCHE. Let us vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. LAUSCHE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Hawaii [Mr. INOUYE], the Senator from Utah [Mr. Moss], and the Senator from Connecticut [Mr RIBICOFF] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. HARRIS], the Senator from Michigan [Mr. HART], the Senator from Maine [Mr. MUSKIE], the Senator from Georgia [Mr. RUSSELL], and the Senator from Georgia [Mr. TALMADGE] are necessarily absent.

On this vote, the Senator from North Carolina [Mr. ERVIN] is paired with the Senator from Oklahoma [Mr. HARRIS]. If present and voting, the Senator from North Carolina would vote "yea," and the Senator from Oklahoma would vote "nay."

On this vote, the Senator from Louisiana [Mr ELLENDER] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Michigan would vote "nay."

On this vote, the Senator from South Carolina [Mr. HOLLINGS] is paired with the Senator from Hawaii [Mr. INOUYE]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Hawaii would vote "nay."

On this vote, the Senator from Connecticut [Mr. RIBICOFF] is paired with the Senator from Georgia [Mr. RUSSELL]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Georgia would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Kenutcky [Mr. COOPER], and the Senator from Idaho [Mr. JORDAN] are absent on official business.

The Senator from Vermont [Mr. PROUTY] is absent because of illness.

The Senator from Oregon [Mr. HATFIELD], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Oregon [Mr. HATFIELD], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Idaho [Mr. JORDAN]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Idaho would vote "nay."

The result was announced—yeas 27, nays 54, as follows:

[No. 375 Leg.]

YEAS—27

| | | |
|---|---|---|
| Baker | Hickenlooper | Morton |
| Bennett | Hill | Mundt |
| Byrd, Va. | Holland | Smathers |
| Cotton | Hruska | Sparkman |
| Curtis | Jordan, N.C. | Spong |
| Dirksen | Lausche | Stennis |
| Eastland | Long, La. | Thurmond |
| Fannin | McClellan | Williams, Del. |
| Hansen | Miller | Young, N. Dak. |

NAYS—54

| | | |
|---|---|---|
| Aiken | Gore | Mondale |
| Anderson | Griffin | Monroney |
| Bartlett | Gruening | Montoya |
| Bayh | Hartke | Morse |
| Bible | Hayden | Murphy |
| Boggs | Jackson | Nelson |
| Brewster | Javits | Pastore |
| Brooke | Kennedy, Mass. | Pearson |
| Burdick | Kennedy, N.Y. | Pell |
| Byrd, W. Va. | Kuchel | Percy |
| Cannon | Long, Mo. | Proxmire |
| Carlson | Magnuson | Randolph |
| Case | Mansfield | Smith |
| Church | McCarthy | Symington |
| Clark | McGee | Tydings |
| Dodd | McGovern | Williams, N.J. |
| Dominick | McIntyre | Yarborough |
| Fong | Metcalf | Young, Ohio |

NOT VOTING—19

| | | |
|---|---|---|
| Allott | Hatfield | Ribicoff |
| Cooper | Hollings | Russell |
| Ellender | Inouye | Scott |
| Ervin | Jordan, Idaho | Talmadge |
| Fulbright | Moss | Tower |
| Harris | Muskie | |
| Hart | Prouty | |

So Mr. LAUSCHE's amendment was rejected.

Mr. MORSE. Mr. President, I move that the Senate reconsider the vote by which the amendment was defeated.

Mr. RANDOLPH. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. The question is on the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. STENNIS. Mr. President, there is at the desk an amendment for the consideration of the Senate proposed by the Senator from Georgia [Mr. RUSSELL]. I propose now to discuss that amendment, giving the substance of its meaning, covering what it does not do as well as what it does do, with the expectation, of course, that at some future time the amendment will be called up for action.

Mr. President, the amendment to which I refer is in printed form. It is amendment No. 480 and was submitted on November 29 by the Senator from Georgia.

There has been an editorial in the Washington Post about this amendment. The editorial writer was misinformed or not informed about its contents.

Let me say in the beginning that this amendment does not affect in any way the substance of the Civil Rights Act of 1964. It does not touch any of the substance of that act in any way. The amendment does not make any change in the guidelines that are used for schools to qualify under the present law.

This amendment does not destroy in any way the main powers and prerogatives of the Education Office of the Department of Health, Education, and Welfare. It does not change any of the basic powers. It merely limits procedure by the Department in one instance.

Again, as to what the amendment does not require, it does not require the Department of Health, Education, and Welfare to present to the school districts that are trying to comply with the guidelines a bill of particulars as to what they they will have to do to comply. I shall refer to that part later. It has a bearing on the whole picture, but this amendment does not affect the Department of Health, Education, and Welfare nor require it to give a bill of particulars to district X or school district Y as to what they will have to do to become qualified. This amendment, then, relates to procedure only, and is a limitation on the Secretary of Health, Education, and Welfare in one respect. It merely provides that the final cutoff of those funds for any school district shall not be made after the school session has started.

That is all the amendment does and that is all it says. It is designed solely to meet the situation where a school district has made its plans, contracted with its teachers and bus carriers, the staff,

and whomever else they have to employ, and the time for that school to start has come in the scholastic year 1967 or 1968, for illustration, and it is already in motion and in progress. Then the hand of HEW would be stayed, under the Russell amendment, in this particular: "You shall not cut funds off during that continuing school year."

That is all the amendment does. I am presenting it now to get the facts in the RECORD so that, I hope, every Senator who could not be here will have a chance to read them in the RECORD or have a staff member present them to him.

The Senator from Oregon has been very understanding of this problem. I do not say he is agreeable to the amendment in its final form, but he has been very understanding of the problem. Being a man of compassion, I think he wants to do something about it. I wish that emphasized now, because I do not want anything I say hereafter to have a personal tinge in it for him or anyone else.

The Senator yesterday said that he could just carry this bill over until next January. That was when we were talking about the busing amendment. I knew he did not say that as a threat, and I am not saying this as a threat, either. But I am not in a hurry about this thing. Those of us who are concerned for the welfare of our people so affected know that this is to protect them, the colored children and the white children; and I am not in any hurry. It can go over until January; that will be all right. It will be no calamity, because this authorization does not affect the current, running school year.

I propose, in my small way, to work on this thing until I feel I have gotten the facts to every single Member of this body, one way or another gotten across to them the substance of the system and why and how it operates the way it does. Then whatever judgment my fellow Senators pass on the matter I will accept, for my part.

But, as I say, we have time now. We have been here 11 months, I think, today, since Congress convened and we certainly have little more to consider concerning this problem that is stated here.

I shall try to picture to you a little board of trustees, with a lot of children, a lot of problems, and a little money. They are summoned here, for a hearing in Washington, about their children. I managed to get some of these hearings held in Mississippi, so as to cut down the expense; but they still have got to go out and hire a lawyer, bring him along with them, and bring the superintendent, and some of them have to come, and they have to stay a few days, and go to all that expense; they come up here and do the best they can in presenting their matter, with all their problems.

I have been present at some of those hearings. Of these examiners, I have no complaint. They are high-type men, trying to do a good job, I think. Many of those in HEW and the Office of Education are educators primarily, and they try to do a good job—at least most of them. Some of them, it seems to me, do not; but most of them do.

But their orders come from somewhere. There could be no other explanation for a policy like this. These trustees come up here and they ask, "What must we do in order to comply?"

Mr. President, no military secret, no machination of the CIA, is more secretly kept than is the secret that is the bosom of somebody in the White House, or HEW, or the Department of Justice or somewhere, as to what they must do to comply.

I know what I am talking about on this matter. I have talked to too many trustees, superintendents, and lawyers whom I have known for more than 25 years, and know to be trustworthy, honest, and honorable men; and they have told me that that has been their experience. Over and over again we hear that report from them; and I know my facts on that. That is what has happened. No one will tell them what they must do. I will prove this by the record when I go into it more extensively.

But the Russell amendment does not try to make them tell them what they must do. It just goes to the point I am making. These trustees start out by meeting the requirements under what they call the freedom-of-choice system.

I hope Senators will listen to this; I know they are interested.

These little trustees started out under the freedom-of-choice requirements of HEW, and opened the doors to everybody, let all the children come in, allowing them to go to school where they pleased.

That was the requirement, and the trustees agreed to it generally, by and large, and they received the money.

But when they came back the next year, they were told, "No, that is not enough." HEW had applied another requirement. They were told, "Freedom of choice may be the law now, but if it does not produce the amount of integration we think it should, then we are going to put additional requirements on you."

That is when they started flirting with the idea of balance. But I mention this to emphasize the uncertainty of these little people—and I say "little" with all deference to them; they are little in means and resources.

There was born the doctrine of affirmative acts, and that was later—I hasten to say later—approved, and I think wrongly approved, by the Circuit Court of Appeals for the Fifth Circuit, sitting at New Orleans. That is the circuit court of appeals doctrine under which the Department of Justice operates now, and tells HEW, "Here is your authority." HEW and the Department of Justice still have freedom of choice. They can choose whatever circuit court of appeals they want to, and use it to make these trustees follow.

The fifth circuit decision is favorable to their interpretation, so they are told to follow that, and ignore the circuit that has jurisdiction over Tennessee and those States northward, and ignore another circuit, the location of which I have momentarily forgotten, the latter two having held exactly the contrary, and reached a different conclusion, that would not require any affirmative action by the trustees. They said that was not the law. I shall develop that, giving volume, page, and reference numbers, later. Not today, but later.

One of those cases was appealed to the Supreme Court of the United States; but, in spite of those conflicts, they said, "Certiorari denied," and refused to pass on it.

So these people, now on the other side of the table from our little trustees, have the freedom of choice as to what circuit court of appeals they may apply to.

But, returning again to this freedom of choice matter, I have here excerpts from a hearing held here in Washington concerning compliance, involving the West Tallahatchie County District, dated February 8, 1967. The district was represented by Representative JAMIE L. WHITTEN, a longtime Member of the House of Representatives, who went down there and represented his home county district.

The witness is Dr. Lloyd Henderson, Chief, Education Branch, Office of Civil Rights, HEW. I read this, just to show that what I have said about not knowing what the guidelines were is correct:

The hearing resulted in a decision adverse to the district. The excerpts following illustrate the failure of HEW to furnish the school districts specific instructions as to what they must do to be considered in compliance with the Civil Rights Act.

The Russell amendment does not change that; but this is background, and shows what these trustees are up against:

Question (Mr. Whitten). Have you, or has the Commissioner, issued any directives telling school districts what they should do?

Answer. Mr. Congressman, the Commission has offered, to my knowledge, no directives. It has issued guide lines, which are policies to carry out the desegregation of schools, procedures they should follow—well, those that—

There was an interruption—

Mr. WHITTEN. I believe you went to Mississippi for the purpose of assisting, and I believe you have regularly stated that you didn't carry any package down there as to what they should do to conform, but you checked the bet to them to offer some proposal on their part. That is the way you have approached this and other cases. You say this doesn't conform. Now tell us what you will do. Isn't that correct? Is that a fair description?

Answer (the Witness). In a sense that is correct.

Question (Mr. Whitten). I will ask you, then, why—you say you want to help these boards and you are in charge of the guidelines. You wrote them. And you claim you want to help them. Now tell us why you haven't spelled out what they could do to conform.

Answer (the Witness). Well, Mr. Commissioner, I don't see my job as going into the State of Mississippi to the school district of West Tallahatchie as the Commissioner's agent in a sense, I suppose, and saying "you must do this. You must do this to comply."

I go into a school and discuss various possibilities with them, and it is always left to the decision of the school board to decide what they will do.

But there are other questions and answers contained in the transcript, if anyone wants to see them. I have identified where this material can be found. The hearing was on February 8, 1967.

That statement is made in response to the assertion made here the other day by the Senator from Oregon, through the HEW, that someone would suggest that the representatives of HEW not tell them in writing what they had to do.

In the cases of which I talk—and this case is typical—these people are left in circumstances in which they do not know what to do. They are not given an exact formula or guideline, and they are not given a bill of particulars.

A man who is sued in the lowest court in any State for an amount of only $5 can call on the court for a bill of particulars. And if the court orders that to be done, then as far as it can be made available, it will have to be supplied by the other party or the case will be dismissed. Still, in a vital, sensitive matter such as this, time after time these people are given answers like this.

I know the people that are involved in the matter. I have been dealing with them. They come by my office. My staff members have gone down there with some of these people. And they have heard the same words spoken, not merely once, but many times.

I have a letter from our friend and colleague, the distinguished senior Senator from Georgia [Mr. RUSSELL].

I ask unanimous consent that the letter from the senior Senator from Georgia under date of November 22, 1967, be printed at this point in the RECORD, together with the reply from the Department of Health, Education, and Welfare.

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

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*Washington, D.C., November 22, 1967.*

Hon. JOHN W. GARDNER,
*Secretary, Department of Health, Education, and Welfare, Washington, D.C.*

DEAR MR. SECRETARY: I regret that I was not in the office when you came by earlier today and I also regret that it was impossible for me to attend the hearing by Senator Morse's Education Subcommittee yesterday at which you and Mr. Libassi testified on the school guidelines.

Charles Campbell, of my staff, was in attendance at the session of the Subcommittee and I was very interested when he told me that you and Mr. Libassi indicated HEW's willingness to provide in writing the specific requirements for the various school systems to achieve compliance.

I am attaching hereto my file on the Fayette County, Georgia, case for your consideration. I believe you will find, if you examine these letters, that there is not only considerable confusion but a lack of specific requirements for Superintendent Bowers to take to his local Board. In accordance with the statements, which I understand that you and Mr. Libassi made yesterday for the Education Subcommittee, I will appreciate your advising me of the specific minimum necessary corrective action for this school system to take in order to come into compliance. I would appreciate having this information as quickly as it is convenient and practical for you to assemble it.

I will also appreciate your returning to me the enclosed correspondence when it has served its purpose.

With best wishes, I am,
Sincerely,

RICHARD B. RUSSELL.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
*Washington, D.C.*

Hon. RICHARD B. RUSSELL,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR RUSSELL: This is in reply to your note of October 12 concerning correspondence between this Office and the Fayette County school system in Georgia. I apologize for this late reply, but an additional letter was about to be written on this matter and I decided to await its completion and give you the latest information.

On July 13, 1967, a conference took place between representatives of the Office for Civil Rights and the school system. Mrs. Ruby Martin, Director of Operations in our Office, was at that meeting and informed school officials that the Department is encouraging districts to develop desegregation plans which will complete the process of eliminating the dual school system by the opening of schools in 1969 if at all possible. Mrs. Martin further informed the school officials that if such a plan were developed the Office would not be concerned with percentages and numbers of transfers for the 1967–68 school term. It was also recognized that for a variety of reasons some districts find they cannot develop these long-range plans and, if this were the case in Fayette County, the district would be required to meet current guideline expectations.

The statements made by Mrs. Martin accurately reflect the policy of the Department and were further discussed with the school Superintendent in two telephone conversations and in a letter written this past November 6. It is my understanding that it is not the numbers or percentages of transfers that pose the problem for Fayette County, but rather the long-range plan to eliminate the dual school system. I have enclosed a copy of the plan submitted by the school system.

In all of our discussions with the Superintendent and the Board, we have emphasized that a two or three year plan must provide for substantial progress toward abolishing the dual school system in each of the years considered necessary to complete the process. Thus, in Fayette County for 1968–69 we would expect the system to develop a plan which would result in substantial faculty and student desegregation in September 1968.

As you can see, for the 1968–69 school year the district proposes to continue to use substantially the same procedure as is currently in use, supplemented by the possible transfer of classes for a certain period if freedom of choice does not bring about increased numbers of transfer. This plan contains no description of what classes would be transferred, how many students and teachers would be involved, and what schools would be affected if free choice does not result in substantially eliminating the dual school system in 1968–69. Based on past experience it is unlikely that freedom of choice will result in substantial desegregation in this county.

The plans for 1969–70, the year the district proposes to end the dual school system, do not provide us with any concrete information as to how the dual school system will be ended at that time. Furthermore, it appears that current construction plans in the district will have the effect of maintaining segregated facilities rather than eliminating them. It is our understanding that the system has approved plans for the consolidation of several all-white or formerly white elementary schools which may have the effect of reinforcing segregation rather than eliminating the dual structure.

Dr. Lloyd Henderson, Chief of our Education Branch, and a representative of the Georgia State Department of Education met with the school Superintendent in a further effort to obtain a desegregation plan which would set forth the specific steps the district would take, including alternative steps where appropriate, that would result in a unitary school system.

We are most anxious to work with school systems to assist them in resolving their compliance problems. A number of systems in Georgia have developed long-range plans that will result in unitary systems in two years. These plans are specific and detail what the system will do and a timetable for doing it. We had hoped to arrive at this kind of arrangement with Fayette County.

I trust this information is useful to you. If I can be of further assistance, please do not hesitate to call on me.

Sincerely,

PETER LIBASSI,
*Director, Office for Civil Rights.*

Mr. STENNIS. Mr. President, the second paragraph of the letter reads:

Charles Campbell, of my staff, was in attendance at the session of the Subcommittee and I was very interested when he told me that you and Mr. Libassi indicated HEW's willingness to provide in writing the specific requirements for the various school systems to achieve compliance.

This was not a hearing before an examiner. It was a hearing before the subcommittee of the senior Senator from Oregon.

The Senator from Georgia states further in his letter:

I am attaching hereto my file on the Fayette County, Georgia, case for your consideration. I believe you will find, if you examine these letters, that there is not only considerable confusion but a lack of specific requirements for Superintendent Bowers to take to his local Board. In accordance with the statements, which I understand that you and Mr. Libassi made yesterday for the Education Subcommittee, I will appreciate your advising me of the specific minimum necessary corrective action for this school system to take in order to come into compliance. I would appreciate having this information as quickly as it is convenient and practical for you to assemble it.

I do not want to be severe. However, the first time I ever heard of anyone being given any direction and requirement to come in was at a congressional hearing and not a hearing on the case itself.

Mr. Campbell of the staff of the senior Senator from Georgia heard this statement. The Senator from Georgia wrote this letter on the 22d of November. There has been no answer to that point as yet. A letter did come to the Senator from Georgia under date of November 28. However, it did not cover that point.

The letters might have crossed in the mail. However, the point raised by the Senator from Georgia has not been answered as yet.

The thing has been put in issue by the Russell amendment. It was further put in issue by a case—not this case from Georgia—when the people involved received a notice the other day that even though school had started, on December 9, just 3 days from now, their funds would be cut off. They would receive no more money.

It does not make any difference how long we have held the case or how many teachers we have employed or how many debts have been incurred or how many

children have to be taken care of. The money will be cut off.

The Russell amendment merely says: "Stay your hand. If you don't tell them before school starts, you can't tell them during that school session." That is all we are asking for.

I have mentioned those things to cover the background.

We have a little school district. It is not told what it must do. The representatives must go home and wait and wait. The school session starts, and everything is running. Then this meat ax and cutoff order comes. That is what we are trying to prevent, and that is all.

I do not believe that HEW will stop this practice until they receive a mandate from Congress saying that they must stop it.

There was a small hearing. The Senator from Oregon was telling, of course, what he had been told. However, the things that they explained to him in connection with these cases have just not happened.

I have another illustration here. And I emphasize that I knew the people I was dealing with. This concerns Forest Municipal Separate School District. That is in Scott County, Miss.

My informant is the superintendent of that school system. I have known him for 30 years. He is an honest, upright, Christian gentleman. He is one of the finest school superintendents in our State. He is a man whom anyone would believe in any matter.

This case is almost typical of seven districts in my State that received notice on November 8 that after December 9—and the reason for the 30-day notice was because it was provided in the law the last time that there had to be 30 days notice to these people—the funds would be cut off.

This is the way the case developed.

On August 24, 1966, the school was sent a letter by the Department of Health, Education, and Welfare, notifying them that they were being put on a deferred status. The effect of the letter was to prevent the school from making any new application for Federal assistance. However, it did not interrupt any assistance the school was already receiving.

On November 2, 1966, the school was sent a notice giving them an opportunity for hearing to determine their status with respect to compliance before the Federal assistance would be terminated.

On December 27, 1966, the parties agreed to delay the hearing and continue the deferral unit until not later than March 1, 1967, so that the hearings could be held in Jackson, Miss., rather than Washington.

I do not remember asking that this particular hearing be held in Mississippi. However, I did ask that some hearings be held in Mississippi with respect to other school districts. That is all I asked. I did not ask for any favor. I just asked for this on the basis of saving expense for these people.

There was a notice in the paper that the hearings were going to be held in Jackson. I think some additional school districts requested that their hearings be held at Jackson. Four or five of those requests were granted.

The hearing had to be continued or deferred there in order to take care of the hearing in Jackson. In the absence of such an agreement, HEW would have been required to grant an immediate hearing in order to comply with the Fountain amendment, which became law on November 3, 1966, requiring a hearing within 60 days after the school had been placed on deferred status.

So they had the agreement that there would be a deferral of the time, and that was permissible under the law, in order to have those hearings close to home.

On February 27, hearings commenced in Jackson, and they were concluded on March 3, 1967. The parties again agreed to examine the decision and continue the deferral until not later than May 3, 1967. That was deferral for the reasons given, and the blanket statement that none had been deferred except at the request, and so forth, just does not hold water for the remainder of the time.

That was February 27. March passed and April passed. On May 2, the hearing examiner ruled against the school district. August 4 arrived. Now, in here somewhere is a fact that I do not have in my memorandum but which I learned later. The hearing examiner inadvertently ran over a couple of days, and that was prohibited by the Fountain amendment. It was not intended by the examiner or by HEW. In order to remedy that error, they put this school back on the eligible list May 2. May passed, June passed, July passed, and August 4 arrived. Commissioner Howe concurred in the examiner's decision and submitted the case to Secretary Gardner for review.

November 9 arrived. August, September, and October had passed, and of course the schools had been operating approximately 3 months. On November 9, without any further notice or information, Secretary Gardner approved the cutoff of funds and transmitted the order to the congressional committees for the 30-day period required by the Civil Rights Act; and on December 9, the order terminating all assistance will become effective.

This is a case in which it was continued in order to meet the requirements of the law and for the examiner to have time. But all that time was up back in May of 1967. May passed, June passed, and July passed, and on August 4 they heard it again. Who would not have made contracts with the teachers? Who would not have made contracts with the bus operators and the staff and with respect to everything else that goes into running a school in a small city? Why, common sense required them to make these contracts and to do everything else. No other word, but here comes the cutoff.

That is the reason for the Russell amendment. For whatever reason you have, if it is delayed, delayed, and delayed until after school starts, then it will have to be delayed for the remainder of the year. That is all we are asking. That is why we feel that we are honorbound to stand here, under every circumstance, and not let Congress pass on everything else we have in 11 months and then say we do not have time for these little people.

There are seven or eight other cases in Mississippi, two or three of which are almost on all fours with the one I have mentioned. Here are some others. These are all to be cut off on December 9. According to my records, four other cases are similar to the one I have just stated in detail.

Another case with which I am familiar involves the Chippewa County schools. As I understand the record, in that situation there was nothing irregular about the timing by the examiner. And I emphasize that the examiner's error was an honest error, and it was forgiven. There is no question about the facts there.

The trustees in these school districts are beset with this problem, and I will not go into the details of it. I say to our friends outside our area of the country that you have not had any calls from your trustees about this problem. No one has complained to you. They have not been mistreated. Why? Because HEW has not said "turkey" to them, has not checked on them, has not done anything. They say they are going to—always going to, sometime next year, next year. That is why you are not familiar with these things.

I do not raise the sectionalism flag; you know that. But they raise it when they act as though they think this law applies only to our States down there.

You know and they know that there is de facto segregation in major parts of the country, and nothing has been done about it, except in one case, in the city of Chicago. As a result of conditions found there, the then Commissioner of Education ordered a cutoff—I do not know exactly the date. However, you heard from Mayor Daley. I use this as an illustration. You heard from Mayor Daley, of Chicago, immediately. Someone at the White House took the matter under advisement, and that is the last we heard of it. That was about 2 years ago.

I know that a year ago, in conference on the HEW bill, I asked HEW—and I have no grievance with them. I do not ask any favors and they do not give any, and that is the way I want it. I have been on the Appropriations Committee a long time. In the presence of the Senator from Alabama and the Senator from Georgia [Mr. RUSSELL], in discussing the hospital guidelines, we brought up the school guidelines outside our area of the country, and we were assured something was going to be done about it. Nothing has been done about it.

So if you want to put a time limitation on the Russell amendment and just say it shall apply until they get this matter in application nationwide, all right. But I bring up this matter to impress upon you that Members of the Senate outside the South do not really know this problem because you never have had it, and you have not had it because they have not been into your State, except Mr. Keppler, when he was Commissioner of Education. He went into the matter, and his hand was stayed. We are not asking

you to stay the hand, except under the circumstances I mention.

Mr. President, I have a statement which—I am frank about it—was in large part prepared by the Senator from Georgia [Mr. RUSSELL], directed to this amendment, and I shall read it. I believe every Member of this body is interested in what he has to say about any problem, anywhere:

The purpose and provisions of this amendment, are relatively simple. It would require the Department of Health, Education, and Welfare to terminate or refuse to grant indicated federal financial assistance before the beginning of the school year if a school system is determined not to be in compliance with Title VI of the Civil Rights Act of 1964. The purpose of so amending the legislation now before us is to prevent the Secretary of H.E.W. from holding an order to terminate federal funds for a school system for an unreasonable time, as he has done in an alarming number of cases, before transmitting this final order to cut off funds to the appropriate Congressional Committee before which it must lie for thirty days before becoming effective.

In a number of cases, the Secretary has received a cut off order in June or July and intentionally held it until after the school year started so that the cut off would be effective during the school year after activities financed by Federal funds are already underway.

Mr. President, here again I wish to interpolate. I do not know why the Commissioner held this matter on his desk for 90 days and then passed it to the Secretary, and he held it for 90 days. I do not know why that happened. There was no reason that I know about. I am trying to find out. It was not necessary as I see it and the law did not require it.

Mr. President, I ask unanimous consent that a chart showing the time of notice for hearing, hearing, initial decisions, final decisions and approval and transmittal by the Secretary for every school system which has had a final order against it sent to the congressional committee be incorporated in the RECORD at this point in my remarks.

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

SCHOOL DISTRICTS WHOSE ELIGIBILITY FOR EDUCATION GRANTS HAS BEEN TERMINATED UNDER TITLE VI, CIVIL RIGHTS ACT OF 1964 (INCLUDES INFORMATION ON DATES VARIOUS STAGES OF PROCEEDINGS WERE REACHED)

| CR No. | School district | Notice | Hearing | Initial decision | Final decision | Secretary approval [1] | Returned to compliance (VP—voluntary plan for desegregation; CO—court order) |
|---|---|---|---|---|---|---|---|
| | Bibb County Board of Education, Alabama | Sept. 15, 1965 | Oct. 18, 1965 | Jan. 25, 1966 | Mar. 24, 1966 | May 13, 1966 | CO.[2] |
| 4 | Tarrant City Board of Education, Alabama | do | do | do | do | do | CO.[2] |
| 43 | Tensas Parish School Board, Louisiana | Sept. 13, 1965 | Oct. 20, 1965 | Jan. 19, 1966 | do | do | |
| 44 | Union Parish School Board, Louisiana | do | do | do | do | do | CO, Sept. 21, 1967. |
| 45 | Vermillion Parish School Board, Louisiana | do | do | do | do | do | CO, Nov. 18, 1966. |
| 49 | West Carroll Parish School Board, Louisiana | do | do | do | do | do | |
| 50 | Winn Parish School Board, Louisiana | do | do | do | do | do | CO, Sept. 13, 1967. |
| 51 | Amite County Board of Education, Mississippi | do | Oct. 26, 1965 | Feb. 4, 1966 | do | do | CO, Oct. 8, 1966. |
| 3 | Copiah County Board of Education, Mississippi | do | do | do | do | do | |
| 67 | Sunflower County Board of Education, Mississippi | do | do | Jan. 31, 1966 | do | do | CO, Sept. 28, 1966. |
| 69 | Warren County Board of Education, Mississippi | do | do | do | do | do | |
| 70 | Wilkinson County Board of Education, Mississippi | do | do | do | do | do | CO, Jan. 9, 1967. |
| 19 | Avoyelles Parish School Board, Louisiana | do | Oct. 20, 1965 | Mar. 2, 1966 | Apr. 27, 1966 | May 27, 1966 | CO, June 27, 1967. |
| 22 | Cameron Parish School Board, Louisiana | Sept. 14, 1965 | do | Mar. 7, 1966 | do | do | |
| 23 | Catahoula Parish School Board, Louisiana | do | do | Feb. 25, 1966 | Apr. 26, 1966 | do | |
| 26 | De Soto Parish School Board, Louisiana | do | do | Feb. 18, 1966 | Apr. 14, 1966 | do | |
| 27 | East Carroll Parish School Board, Louisiana | Sept. 13, 1965 | do | Mar. 7, 1966 | Apr. 27, 1966 | do | CO, June 30, 1967. |
| 28 | Franklin Parish School Board, Louisiana | do | do | do | do | do | |
| 29 | Grant Parish School Board, Louisiana | do | do | Feb. 18, 1966 | Apr. 14, 1966 | do | |
| 31 | La Salle Parish School Board, Louisiana | do | do | Feb. 9, 1966 | do | do | CO, Oct. 25, 1966. |
| 32 | Lincoln Parish School Board, Louisiana | Sept. 14, 1965 | do | Feb. 26, 1966 | Apr. 26, 1966 | do | CO, Do. |
| 54 | Covington County Board of Education, Mississippi | do | Oct. 26, 1965 | Mar. 18, 1966 | May 9, 1966 | June 9, 1966 | CO, Feb. 2, 1967. |
| 58 | Hazelhurst Municipal Separate School District, Mississippi | Sept. 13, 1965 | do | do | do | do | |
| 62 | Le Flore County Board, of Education, Mississippi | do | do | do | do | do | CO, Oct. 25, 1966. |
| 65 | Noxubee County Board of Education, Mississippi | do | do | do | do | do | CO, Oct. 24, 1967. |
| 14 | Glascock County Board of Education, Georgia | Oct. 15, 1965 | Nov. 1, 1965 | Mar. 29, 1966 | May 24, 1966 | July 1, 1966 | |
| 16 | Toombs County Board of Education, Georgia | do | do | Feb. 23, 1966 | Apr. 26, 1966 | do | |
| 20 | Bienville Parish School Board, Louisiana | Sept. 14, 1965 | Oct. 20, 1965 | Mar. 29, 1966 | May 24, 1966 | do | CO, Oct. 25, 1966. |
| 21 | Caldwell Parish School Board, Louisiana | do | do | do | do | do | |
| 60 | Humphreys County Board of Education, Mississippi | do | Oct. 26, 1965 | do | do | do | CO, Aug. 16, 1966. |
| 9 | Indianola Municipal Separate School District, Mississippi | May 12, 1966 | | | June 23, 1966 | July 15, 1966 | CO, Dec. 23, 1966. |
| 34 | Morehouse Parish School Board, Louisiana | Sept. 14, 1965 | Oct. 20, 1965 | Feb. 9, 1966 | June 7, 1966 | Aug. 12, 1966 | |
| 35 | Ouachita Parish School Board, Louisiana | do | do | do | do | do | |
| 37 | Red River Parish School Board, Louisiana | Sept. 13, 1965 | do | Feb. 11, 1966 | do | do | |
| 38 | Richland Parish School Board, Louisiana | do | do | do | do | do | CO, Oct. 25, 1967. |
| 39 | Sabine Parish School Board, Louisiana | do | do | do | do | do | |
| 40 | St. Bernard Parish School Board, Louisiana | do | do | Jan. 25, 1966 | do | do | CO, Mar. 7, 1967. |
| 57 | Grenada Municipal Separate School District, Mississippi | do | Oct. 26, 1965 | Apr. 11, 1966 | June 13, 1966 | do | CO, Dec. 21, 1966. |
| 61 | Jefferson County Board of Education, Mississippi | do | do | Mar. 29, 1966 | do | do | |
| | | | Jan. 24, 1966 | | | | |
| 5 | Bright Star School District, Arkansas | Sept. 15, 1965 | Oct. 19, 1965 | June 3, 1966 | Aug. 19, 1966 | Dec. 1, 1966 | |
| 8 | Hazen School District, Arkansas | Sept. 13, 1965 | do | June 10, 1966 | Aug. 18, 1966 | do | |
| 9 | Humnoke School District, Arkansas | do | do | June 21, 1966 | Aug. 19, 1966 | do | CO, Mar. 24, 1967. |
| 10 | Junction City schools, Arkansas | Sept. 10, 1965 | do | July 8, 1966 | Sept. 8, 1966 | do | |
| 71 | Cameron School District No. 2, South Carolina | Sept. 13, 1965 | Oct. 29, 1965 | July 18, 1966 | do | do | |
| 80 | Hinds County School District, Mississippi | Feb. 17, 1966 | | | Aug. 19, 1966 | do | |
| | Seminole County Board of Education, Georgia | June 8, 1966 | | | Oct. 21, 1966 | Dec. 30, 1966 | |
| 204 | West Jasper Consolidated School District, Mississippi | June 14, 1966 | | | do | do | |
| 215 | Randolph County Board of Education, Georgia | July 8, 1966 | | | do | do | |
| 216 | Terrell County Board of Education, Georgia | do | | | do | do | |
| 219 | Tunica County Board of Education, Mississippi | July 7, 1966 | | | do | do | |
| 226 | Marvell School District No. 22 of Phillips County, Ark | Aug. 4, 1966 | | | do | do | CO, Jan. 18, 1967. |
| 99 | Camden County Board of Education, Georgia | June 14, 1966 | | | do | Mar. 28, 1967 | |
| | Yazoo Municipal School District, Mississippi | July 8, 1966 | | | do | do | |
| 225 | Fordyce School District No. 39 of Dallas County, Ark | Aug. 5, 1966 | | | do | do | |
| 229 | Holly Bluff Line School District, Mississippi | Aug. 4, 1966 | | | Jan. 4, 1967 | Mar. 27, 1967 | |
| 36 | Plaquemines Parish School Board, Louisanna | Sept. 14, 1965 | Oct. 20, 1965 | Feb. 9, 1966 | Feb. 21, 1967 | Apr. 7, 1967 | |
| 73 | Conecuh County Board of Education, Alabama | Feb. 18, 1966 | May 9, 1966 | Sept. 22, 1966 | Nov. 8, 1966 | do | CO.[2] |
| 74 | Attala City Board of Education, Alabama | Feb. 17, 1966 | | | Oct. 21, 1966 | do | CO.[2] |
| | Jasper City Board of Education, Alabama | do | May 9, 1966 | Aug. 3, 1966 | do | do | CO.[2] |
| 94 | Marion City Board of Education, Alabama | June 15, 1966 | Oct. 26, 1966 | Nov. 21, 1966 | Feb. 8, 1967 | do | CO.[2] |
| 211 | Houston County Board of Education, Alabama | July 8, 1966 | Dec. 1, 1966 | Dec. 27, 1966 | Feb. 13, 1967 | do | CO.[2] |
| 239 | Talladega City schools, Alabama | Sept. 6, 1966 | Dec. 20, 1966 | Jan. 25, 1967 | Mar. 15, 1967 | do | CO.[2] |
| 240 | Holly Springs Municipal Separate School District, Mississippi | Aug. 22, 1966 | | | Jan. 26, 1967 | do | |
| 241 | Chambers County Board of Education, Alabama | Sept. 3, 1966 | Dec. 21, 1966 | Jan. 25, 1967 | Mar. 15, 1967 | do | CO.[2] |
| 250 | Brewton City Board of Education, Alabama | Nov. 28, 1966 | Dec. 27, 1966 | do | do | do | CO.[2] |
| 252 | Coosa County Board of Education, Alabama | Dec. 2, 1966 | do | do | do | do | VP, June 26, 1967. |
| 254 | Geneva County Board of Education, Alabama | Nov. 28, 1966 | do | do | do | do | CO.[2] |
| 255 | Greene County Board of Education, Alabama | Dec. 2, 1966 | Dec. 30, 1966 | Jan. 18, 1967 | do | do | CO.[2] |
| 256 | Henry County Board of Education, Alabama | Nov. 30, 1966 | Dec. 27, 1966 | Jan. 25, 1967 | do | do | VP, June 27, 1967. |
| 264 | Tallassee City Board of Education, Alabama | Dec. 1, 1966 | Dec. 28, 1966 | Jan. 19, 1967 | Mar. 6, 1967 | do | VP, June 20, 1967. |
| 269 | Ben Hill County Board of Education, Georgia | do | | | Feb. 13, 1967 | do | CO, June 28, 1967. |
| 276 | Johnson County Board of Education, Georgia | Dec. 10, 1966 | | | Feb. 21, 1967 | do | |
| 286 | Assumption Parish School Board, Louisiana | Dec. 1, 1966 | | | Feb. 13, 1967 | do | |
| 287 | St. Charles Parish School Board, Louisiana | Dec. 2, 1966 | | | do | do | CO, Sept. 22, 1967. |

See footnote at end of table.

SCHOOL DISTRICTS WHOSE ELIGIBILITY FOR EDUCATION GRANTS HAS BEEN TERMINATED UNDER TITLE VI, CIVIL RIGHTS ACT OF 1964 (INCLUDES INFORMATION ON DATES VARIOUS STAGES OF PROCEEDINGS WERE REACHED)—Continued

| CR No. | School district | Notice | Hearing | Initial decision | Final decision | Secretary approval [1] | Returned to compliance (VP—voluntary plan for desegregation; CO—court order) |
|---|---|---|---|---|---|---|---|
| 291 | Rankin County school system, Mississippi | Nov. 28, 1966 | ---------- | ---------- | Jan. 23, 1967 | Apr. 7, 1967 | |
| 306 | Echols County Board of Education, Georgia | Nov. 30, 1966 | ---------- | ---------- | Feb. 13, 1967 | ----do---- | |
| 93 | Marengo County Board of Education, Alabama | June 13, 1966 | Jan. 25, 1967 | Feb. 16, 1967 | Apr. 14, 1967 | May 31, 1967 | CO.[2] |
| 95 | Thomasville City Board of Education, Alabama | June 7, 1966 | Jan. 23, 1967 | Feb. 20, 1967 | ----do---- | ----do---- | CO.[2] |
| 201 | Sumter County Board of Education, Georgia | June 14, 1966 | Sept. 14, 1966 | Dec. 2, 1966 | Mar. 21, 1967 | ----do---- | |
| 213 | Washington County Board of Education, Alabama | July 19, 1966 | Feb. 14, 1967 | Mar. 8, 1967 | Apr. 21, 1967 | ----do---- | VP, June 30, 1967. |
| 217 | Baldwyn Municipal Separate School District, Mississippi | July 9, 1966 | ---------- | Dec. 21, 1966 | Apr. 24, 1967 | ----do---- | |
| 248 | Vidalia City Board of Education, Georgia | Sept. 29, 1966 | Dec. 5, 1966 | Jan. 23, 1967 | Mar. 6, 1967 | ----do---- | |
| 327 | Richton Municipal Separate School District, Mississippi | Nov. 30, 1966 | Jan. 31, 1967 | Mar. 1, 1967 | Apr. 21, 1967 | ----do---- | |
| 262 | Russell County Board of Education, Alabama | Dec. 5, 1966 | Dec. 28, 1966 | Jan. 27, 1967 | Mar. 15, 1967 | ----do---- | CO.[2] |
| 372 | Elmore County Board of Education, Alabama | Dec. 10, 1966 | Dec. 30, 1966 | Jan. 26, 1967 | ----do---- | ----do---- | CO.[2] |
| 96 | Collins School District No. 2, Arkansas | June 9, 1966 | Mar. 9, 1967 | Mar. 21, 1967 | Apr. 28, 1967 | June 14, 1967 | |
| 242 | Chilton County Board of Education, Alabama | Aug. 17, 1966 | Jan. 10, 1967 | Mar. 2, 1967 | May 1, 1967 | ----do---- | CO.[2] |
| 243 | Clarke County Board of Education, Alabama | Aug. 29, 1966 | Dec. 14, 1966 | Jan. 25, 1967 | May 11, 1967 | ----do---- | CO.[2] |
| 257 | Lannett City Board of Education, Alabama | Nov. 29, 1966 | Dec. 27, 1966 | ----do---- | May 8, 1967 | ----do---- | CO.[2] |
| 274 | Early County Board of Education, Georgia | Dec. 2, 1966 | Feb. 16, 1967 | Mar. 9, 1967 | Apr. 26, 1967 | ----do---- | |
| 325 | Pontotoc County Board of Education, Mississippi | Nov. 29, 1966 | Dec. 29, 1966 | Mar. 16, 1967 | May 2, 1967 | ----do---- | |
| 212 | Shelby County Board of Education, Alabama | July 7, 1966 | Dec. 19, 1966 | Jan. 25, 1967 | May 18, 1967 | June 19, 1967 | Co.[2] |
| 261 | Pickens County Board of Education, Alabama | Nov. 29, 1966 | Dec. 28, 1966 | Jan. 17, 1967 | May 22, 1967 | ----do---- | Co.[2] |
| 282 | Screven County Board of Education, Georgia | Dec. 6, 1966 | Feb. 9, 1967 | Mar. 17, 1967 | May 17, 1967 | ----do---- | |
| 301 | Lawson School District No. 71 of Union County, Ark | Dec. 5, 1966 | Jan. 23, 1967 | ----do---- | May 18, 1967 | ----do---- | |
| 358 | Southampton County schools, Virginia | Jan. 10, 1967 | Feb. 20, 1967 | Apr. 10, 1967 | May 23, 1967 | ----do---- | |
| 359 | County School Board of Sussex County, Va | Dec. 5, 1966 | ----do---- | Apr. 12, 1967 | ----do---- | ----do---- | |
| 224 | Stamps Special School District of Lafayette County, Ark | Aug. 4, 1966 | ---------- | ---------- | June 5, 1967 | July 27, 1967 | |
| 267 | Atkinson County Board of Education, Georgia | Nov. 29, 1966 | Mar. 28, 1967 | Apr. 20, 1967 | June 14, 1967 | ----do---- | |
| 270 | Brooks County Board of Education, Georgia | Dec. 2, 1966 | Mar. 22, 1967 | Apr. 26, 1967 | ----do---- | ----do---- | |
| 295 | Northumberland County School Board, Virginia | Nov. 28, 1966 | Feb. 16, 1967 | ----do---- | ----do---- | ----do---- | |
| 326 | Poplarville Special Municipal School District, Mississippi | ----do---- | Mar. 20, 1967 | Apr. 7, 1967 | May 26, 1967 | ----do---- | |
| 355 | Charlotte County public schools, Virginia | ----do---- | Feb. 21, 1967 | Apr. 26, 1967 | June 15, 1967 | ----do---- | |
| 356 | County School Board of Essex County, Va | Dec. 3, 1966 | Mar. 16, 1967 | ----do---- | June 14, 1967 | ----do---- | |
| 218 | Leland Consolidated School District, Mississippi | July 7, 1966 | Feb. 20, 1967 | Mar. 22, 1967 | June 12, 1967 | Sept. 15, 1967 | |
| 283 | Tattnall County Board of Education, Georgia | Dec. 2, 1966 | Mar. 20, 1967 | May 11, 1967 | July 13, 1967 | ----do---- | |
| 289 | Lawrence County school system, Mississippi | Nov. 28, 1966 | Mar. 15, 1967 | May 1, 1967 | June 15, 1967 | ----do---- | |
| 308 | Jones County Board of Education, Georgia | Dec. 5, 1966 | Feb. 20, 1967 | June 7, 1967 | July 26, 1967 | ----do---- | |
| 309 | Lamar County Board of Education, Georgia | ----do---- | Jan. 23, 1967 | Mar. 17, 1967 | June 29, 1969 | ----do---- | |
| 353 | Marion County School District No. 3, South Carolina | ----do---- | May 9, 1967 | June 8, 1967 | July 19, 1967 | ----do---- | |
| 388 | Walthall County schools, Mississippi | Feb. 4, 1967 | Apr. 20, 1967 | May 15, 1967 | June 29, 1967 | ----do---- | |
| 411 | Dooly County schools, Georgia | Feb. 20, 1967 | May 8, 1967 | June 8, 1967 | July 19, 1967 | ----do---- | |
| 214 | Effingham County public schools, Georgia | July 9, 1966 | Mar. 22, 1967 | May 5, 1967 | June 20, 1967 | Nov. 9, 1967 | |
| 266 | Appling County Board of Education, Georgia | Dec. 1, 1966 | Apr. 17, 1967 | May 12, 1967 | Aug. 9, 1967 | ----do---- | |
| 271 | Burke County Board of Education, Georgia | Dec. 2, 1966 | Feb. 20, 1967 | May 15, 1967 | Aug. 4, 1967 | ----do---- | |
| 292 | West Tallahatchie School District, Mississippi | Nov. 12, 1966 | Feb. 8, 1967 | Apr. 3, 1967 | June 12, 1967 | ----do---- | |
| 307 | Jenkins County schools, Georgia | Dec. 1, 1966 | Feb. 20, 1967 | May 25, 1967 | Aug. 16, 1967 | ----do---- | |
| 312 | Stewart County Board of Education, Georgia | Dec. 7, 1966 | May 16, 1967 | June 13, 1967 | July 28, 1967 | ----do---- | |
| 316 | Forest Municipal Separate School District, Mississippi | Nov. 29, 1966 | Mar. 3, 1967 | May 2, 1967 | Aug. 4, 1967 | ----do---- | |
| 318 | Lincoln County Board of Education, Mississippi | ----do---- | ----do---- | ----do---- | ----do---- | ----do---- | |
| 322 | Oakland Consolidated School District, Mississippi | ----do---- | Mar. 4, 1967 | ----do---- | ----do---- | ----do---- | |
| 323 | Oktibbeha County Board of Education, Mississippi | Nov. 28, 1966 | Mar. 22, 1967 | Apr. 27, 1967 | June 23, 1967 | ----do---- | |
| 329 | Smith County Board of Education, Mississippi | Nov. 30, 1966 | Feb. 27, 1967 | May 2, 1967 | Aug. 4, 1967 | ----do---- | |
| 330 | Stone County Board of Education, Mississippi | Nov. 27, 1966 | Mar. 1, 1967 | ----do---- | ----do---- | ----do---- | |
| 357 | County School Board of Mecklenberg, Va | Dec. 5, 1966 | Feb. 21, 1967 | Apr. 27, 1967 | June 19, 1967 | ----do---- | |
| 365 | Webster County Board of Education, Mississippi | Nov. 25, 1966 | Feb. 27, 1967 | May 2, 1967 | Aug. 4, 1967 | ----do---- | |
| 379 | Pontotoc Municipal Separate School District, Mississippi | Feb. 1, 1967 | Apr. 18, 1967 | May 25, 1967 | July 13, 1967 | ----do---- | |
| 441 | Elaine School District No. 30, Arkansas | Mar. 24, 1967 | ---------- | ---------- | Aug. 4, 1957 | ----do---- | |
| 463 | Buford City Board of Education, Georgia | Apr. 7, 1967 | May 23, 1967 | June 22, 1967 | ----do---- | ----do---- | |

Note: The absence of a date for hearing or initial decision indicates that the school district waived hearing and consequently a final decision was made without an intervening initial decision. In one instance (CR 217, approved by the Secretary on May 31, 1967), the school district submitted its case by brief. Thus there was no hearing but the hearing examiner entered an initial decision.

The time intervals between actions are influenced by a number of factors including continuances occasioned by indications that the school district might take action to comply voluntarily and the necessity that decisions be made personally by the Commissioner of Education and the Secretary.

[1] All of these orders have provided that the termination would be effective 30 days after the filing of a report with the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor. Such reports were filed on the date of the Secretary's approval, except the filing date was Apr. 10, 1967, for the orders approved on Apr. 7, 1967.

[2] Reference to note 2 in the column headed "Returned to Compliance" indicates that payments were resumed to a school district as a result of a plan submitted pursuant to the Mar. 22 and July 28, 1967, decrees of the U.S. District Court for the Middle District of Alabama, eastern division, in "Lee, et al. v. Macon County Board of Education, et al."

Mr. STENNIS. Mr. President, I shall continue to read from the statement of the distinguished Senator from Georgia [Mr. RUSSELL]:

This document, Mr. President, was submitted to the Senate Education Subcommittee by the Department of H.E.W.

I would like to call to the attention of my colleagues two facts which I believe this information from H.E.W. conveys. First, I invite your attention to the rather pronounced trend of the Secretary holding more and more of these orders until after the school year starts as time goes on. For example, last year there were few, if any, cases where the Secretary had a final decision of the hearing examiner approved by the Commissioner of Education which he received before school started and held for several months prior to transmittal. On the other hand, I invite your attention to pages 8 and 9 of this chart where there are at least eleven instances in which the Secretary has held an order until after the 1967 school year began so as to produce the maximum chaos and confusion for the school system. Consider the case of the Leland Consolidated School District in Mississippi. There, the final decision of the hearing examiner was made on June 12th, but the Secretary did not transmit the termination order to Congress until September 15th so that funds were not terminated until October 15th, one and a half months after the school year started. Of course, by October 15th a school system has already planned and implemented activities financed by federal funds all of which are cut off during the school year simply because the Secretary did not perform his responsibilities in a timely fashion.

Mr. President, I wish to say here with emphasis that if the Russell amendment becomes law, it may cut off districts in Mississippi 30 days, 60 days, or 90 days earlier than they would otherwise have been cut off, but that is all right. That would be fair. They would know where they are and they would have a part of that gnawing uncertainty relieved and taken from their bosoms. They still would not have formulas from HEW in their particular cases, but they would at least know they are starting school and that the rug would not be jerked out from under them in the middle of the session.

Come what may, we want the benefits that flow from the amendment, and if there are added burdens, we are ready to accept those.

(At this point, Mr. CANNON assumed the chair.)

Mr. MURPHY. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I am glad to yield to the Senator.

Mr. MURPHY. I have been handed an editorial from the Atlanta Constitution dated December 2, 1967, in which I read that the distinguished Senator from Georgia [Mr. RUSSELL] has improved the situation merely by introducing the amendment. The editorial further states that HEW promises it would look over the plans in the schools in question and give them a verdict by June of each year. If the school plan were approved in June, HEW would commit itself not to cut off that school's funds during the coming year.

My question is: Is this not approximately what the distinguished Senator hopes to achieve by the amendment?

Mr. STENNIS. The practical applica-

tion of that would help a little; yes. However, in the practical application, it is only the matters that they approve at that time that they promise to give that notice. They still want to reserve rights to pass on other parts of it later. The trustees would still be in the dark if they are found in noncompliance.

I hope the Senator understands that these programs have many facets. There are many different items. One gets involved in old programs and new programs. We do not think any efforts that HEW has made so far give us a clear right to stand on.

Mr. MURPHY. In other words, the Senator would hope to achieve the purpose in actual writing in the bill so that there could be no misunderstanding.

Mr. STENNIS. The Senator is correct.

Mr. MURPHY. And so that in the future it would not be left up to the judgment, the kindness, or disposition of some future Secretary of Education or other appointed officer, and that there would be no misunderstanding as to the desire, design, and language that the Senate and the House of Representatives wish to have made a part of the bill.

Mr. STENNIS. The Senator has expressed the matter well. That is what we want. That does not mean that we are not willing to take the word of Mr. Gardner or Mr. Libassi.

I shall tell the Senator another fact. We know that sometimes in the night decisions are made and orders are given that, "Hereafter you will do so and so." It comes like a blight. These men do not know what to do, frankly.

Mr. MURPHY. I am aware of that happening in many instances during my experience as a Member of this body. I opposed this strongly.

If I had the eloquence of the Senator from Mississippi I would join him in this matter. For instance, we have taken great cognizance of the fact in setting up conditions for the school year in connection with funding that the time must be provided in advance so that the school system might work out its plans.

I am very sympathetic to the position of the Senator. I also agree that insofar as we are able we should write exact language that cannot be misunderstood that expresses the desire, will, and design of the lawmaking body, so that it cannot be left up to some referee or, as the Senator has said, "somebody in the night" who changes the concept that the Senate had in mind.

Mr. STENNIS. I thank the Senator. He has expressed the matter with great clarity, knowledge and understanding. There is no one who tries harder to get to the bottom of the real problem and there is no man of finer compassion and understanding than the Senator from California. I appreciate the Senator staying here and listening to the problem. If the Senator sees fit to say something further on the floor of the Senate or otherwise inform our colleagues, it would be genuinely appreciated.

In a matter of this kind there are two or three strikes on us to start with. We are planning for the people who are trying to make this system go and keep the schools going. I do not speak for anyone else in this matter. We are not challenging the Civil Rights Act of 1964. After the fight in connection with that bill from this identical spot, when it became law I immediately issued a statement to the people of Mississippi when the President signed the bill and I said that it would have to be obeyed.

However, here is this broad discretionary power of guidelines that was granted, and with all good intentions of many persons, but these illustrations show that we need some help, and put it in the form of a positive, definite law with a mandate on which I am sure the Senate is capable of making a judgment.

Mr. MURPHY. With a "shall" instead of a "may."

Mr. STENNIS. I thank the Senator from California very much.

Now, Mr. President, returning to the remarks of the Senator from Georgia, who is a man of great caution and moderation when he makes statements on the floor of the Senate, I read further:

However, there are other examples, Mr. President, which are even worse and more irresponsibily disruptive. For instance, I call attention to the case of Stewart County, Georgia. There, the notice for hearing was issued on December 7, 1966 and the hearing was held on May 16, 1967. The initial decision, adverse to the school board, was rendered on June 13, 1967. On July 28, 1967, that decision was approved but the order terminating funds was not transmitted to the Congressional Committee until November 9, 1967—almost three and a half months later and several months into the school year.

Mr. President, this is just one of many cases where they lie there because the school year has started, and so forth. It might be said that Secretary Gardner could not get around to all of them. There is money in the bill, and many friends of HEW—I know, I am on that committee—there is fine personnel, well-trained, experienced and educated—plenty of them. They are just running over. They are available to do this work for them.

Of course, the Secretary cannot go personally and examine every report. No fine administrator—as he is—would or can, of course. But time is running out. They know when school begins. They know the school problems. There is some kind of hand holding these things up. We do not know exactly where it is. We have presented this to everyone that has any authority and power about it as to the whole problem. That is why we are driven here to ask the Senate to help us.

Continuing with the Senator's remarks:

It will become effective on December 9, 1967, after it has laid before the appropriate Congressional committees for thirty days as required by law. When school started in September of this year in Stewart County, Mr. President, the system had a Title I project in the amount of $159,605 approved. This project covers ten areas of activities from school lunch and school social work to the providing of eye glasses and other health aids to children from low income families, primarily Negro families. The Georgia State Department of Education advises that over forty people are employed in this program which will lose all $159,605 of those federal monies on December 9, 1967.

Mr. President, I could submit other equally illustrative cases from the tables I incorporated into the RECORD earlier, such as the county school system of Mecklenberg, Virginia, where the order was held by Secretary Gardner from June 19th of this year until November 9th, or Burke County, Georgia, where it was almost six months between the hearing examiner's decision in May and the transmittal by Secretary Gardner on November 9th. On December 9th, this school system will lose $460,128 in a program which employs 56 people, primarily for the benefit of low income Negro children.

Mr. President, I wish Senators could find time to come into the Chamber and listen to these remarks. I wish those who oppose this amendment, with their strong attacks on it, would come into the Chamber and listen to the hard facts of life. They certainly will attack the amendment. They will raise the racial issue.

The orders have already come down on this floor, "Don't let them put over any amendments. Kill all amendments." Those are the orders.

I am not talking about the Senator from Oregon [Mr. MORSE], but HEW says, "No amendments." The Department of Justice says, "No amendments." The White House says, "No amendments."

I challenge them to come here and listen to the facts. I challenge them to try to attack the facts.

How long are we going to put up with the tommyrot here that someone in the South, some school trustee, is trying to do something mean to some little Negro child. It is just not so. If they would come into the Chamber and listen to the facts, they will find that it is not so. If they want to know the facts, let them come in here and listen.

I do not wish to embarrass anyone, but empty chairs cannot vote.

I say this with great respect, that I cannot agree to end limitation on debate until I believe that in some way, somehow, we can get the facts to those who will have to vote on the matter.

Continuing to read from the remarks of the Senator from Georgia:

I could go on, Mr. President, but I will not transgress further on the Senate's time with reference to this particular point. There can be no doubt, however, but that a very real problem exists in many schools in the South today because on-going programs are disrupted during the school year unnecessarily. The Department of HEW has proved this point beyond the shadow of a doubt with its own evidence submitted to the Senate Subcommittee chaired by the distinguishetd senior senator from Oregon.

Having clearly documented the problem that exists, I would like now to turn to the way in which the pending amendment can alleviate this situation.

Let me say first, Mr. President, that this is a very modest amendment. It does not deprive HEW of the power to terminate federal funds to any school system found not to be in compliance with the so-called school guidelines. Neither need it result in any system in non-compliance receiving one penny of federal funds to which it is not legally entitled as determined by HEW. It only says one thing to the Department—if School System X is not entitled to federal funds because of non-compliance with your requirements under Title VI of the Civil Rights Act of 1964, then you must have a termination order issue before the school year starts and before programs with federal funds are com-

menced so as to minimize the disruption and confusion while the school year is underway.

Certainly, that is a modest, mild statement of the half terror that is caused to the trustees in the reduction of the services that go to the children.

I add my own words here, that the Department is the one which has the sole power to initiate the hearings and proceed along with them under the least possible guidance. They are the ones that can start the matter any time, have them heard, and have them terminated in the lapse of time before school starts. Just cut out all these delays—that is all they have to do. But if, for any reason, time should run a little and school starts, it is no earthshaking calamity for a school to get money for another year even though it may be cut off later. It is not a disservice to honorable administration. They are letting these other schools in the country that might not qualify under the guidelines get the money, when they have not looked into any of them—except Chicago.

Now, I continue with the quotation:

At present, the freedom of choices are offered in a trial period starting in January for the coming school year which begins in September. Therefore, under the terms of this amendment, H.E.W. has all Spring and Summer to judge how much a system says it will do, discuss and negotiate any problems that appear, cite for a hearing if necessary, and complete the process of termination for those systems adjudged to be in non-compliance before school starts in September. There is only one way in which a school system under this amendment could receive funds to which it is not entitled: that is, if H.E.W. is so derelict as to not initiate proceedings in a timely fashion. Their past record indicates no lack of zeal in citing our schools for hearings and I can see no reason why it would happen after this amendment is adopted. Of course, they could be derelict under the present set up also but, as I have already pointed out, they have been overly zealous if anything.

Mr. President, I was amused, though not in the least surprised, by the intensity with which some of the so-called civil rights groups have denounced this amendment. I have come to expect this from these self-seeking extremists. They would oppose any amendment on this question offered by a Senator from South of the Mason-Dixon line, regardless of its provisions or merits. The reason, Mr. President, is because they are not in the least interested in education or even in equality of educational opportunities. It does not bother them that many Negro children in some of the school systems I discussed earlier will be deprived of eye glasses and other health aids after having been promised them in an on-going program after the beginning of the school year. Paradoxically, Mr. President, it is this same irresponsible group that encourages riots and disturbances because they say the Congress is failing to meet the rising tide of expectations by those in poverty—in other words, failing to deliver things they feel they have been promised. I am utterly amazed that people who are supposed to have good sense are apparently taken in by this irresponsible extremism.

In truth, this amendment would only do one thing—assure every school system operating under a freedom of choice plan, or any plan, that if federal funds are not terminated before the school year begins, they will flow uninterrupted for the duration of that school year. Mr. President, that is all this amendment seeks to do—nothing more and nothing less. Therefore, if this amendment is accepted, school activities partly financed with federal funds will not be reduced or terminated after they have already been started. This will result in obvious certainty in planning and operation of the school systems.

Mr. President, I wish someone would let the Senator from Oregon [Mr. MORSE] know that I would appreciate his coming in if he can. Would some staff member come here and help me on that matter?

I continue with the quotation:

Mr. President, I am frankly somewhat surprised that the Senate Education Subcommittee apparently will not accept this amendment without a Floor vote in view of the obvious importance that Senator Morse and his colleagues place on the necessity and desirability of adequate planning before the school year begins and smooth implementation of those plans during the period of the school term. I call the Senate's attention to Title IV of the pending legislation. On pages 132 to 135 of H.R. 7819 there are a number of provisions related to adequate leadtime planning and early Congressional action on authorizations and appropriations. I particularly call the Senate's attention to Page 45 of the Committee Report accompanying this bill and I quote:

"Perhaps no other aspect of the Elementary and Secondary Education Act of 1965, as amended, has disturbed the educational atuhorities in the states and communities more than the lead funding of programs authorized by the law. . . . The Congressional appropriations cycle is, of course, governed by the dates the budget estimates are received by the Congress in January. The hearings process, Committee action and Floor action in the House of Representatives have traditionally preceded Floor action in the Senate. Few, if any, of the regular appropriations bills in recent years have been signed by the President prior to July 1st. If school districts must plan to fund activities authorized under educational legislation only after the appropriations bill has been signed by the President, many vital activities of local school districts are compressed.

"When these activities, which are vital to the implementation of programs are compressed, however, significant problems result. Planning of high quality programs becomes impossible; recruitment and employment of teachers and specialists needed to achieve the best results from new programs is difficult in the middle of an on-going school year—often, auxiliary personnel are hired on the basis of availability rather than experience and ability; and, finally, community pressure for full utilization of funds, often in a quarter of the time which would ordinarily be required, results in expenditures for low priority school needs—funds are used for more of the same, antiquated approaches to critical educational problems.

"As a result of these critical situations, public expectations and enthusiasm for federally assisted programs remain unfulfilled and considerably dampened."

Mr. President, if it is important to make these changes recommended by my colleagues on the Committee to improve preschool planning and implementation during the school year, how much more important is it to give the school systems operating under freedom of choice plans the minimum assurance that after planning and implementation of programs, they will not be disrupted during the school year because of a compliance determination that could and should have been made earlier. That is all this amendment will do and it will accomplish this significant objective without impairing H.E.W.'s efforts in any meaningful way.

Mr. President, in summation, let me say that this amendment will by no means solve all of the problems facing our schools operating under freedom of choice plans—as I said before, it is a very modest amendment.

When Title VI of the Civil Rights Act of 1964 was being debated here in the Senate, most of its opponents were from the South. We were assured at that time that the provisions of Title VI and all regulations adopted pursuant thereto would be applied equally in all parts of the country—I remember particularly the rather emphatic assurances given by the distinguished senior Senator from Rhode Island, Senator Pastore. Yet, over three years after the adoption of this supposedly national act as the law of the land and even in the face of the Civil Rights Commission's documentation of extensive racial segregation in Northern schools, this Administration—or this Executive Department—has not turned its hands to even so much as negotiate with Northern school districts.

When I consider this sad state of affairs, Mr. President, it is not difficult to understand why the power and influence of the Congress, and especially of the Senate, are slowly becoming lodged in other agencies of government in both domestic and foreign affairs because of such Congressional indifference to an executive abuse. Every member of this body ought to be ashamed over the viciously discriminatory manner in which H.E.W. has been permitted to administer this supposedly anti-discriminatory statute.

The pending amendment will not solve these fundamental problems but, if the Senate cannot adopt this modest measure of justice in view of the stated importance which both the Administration and the Senate Committee profess to ascribe to planning and orderly implementation of programs of federal financial assistance, then any discussion of equal protection of the law for our people is a sham and a farce.

Mr. President, I hope and still have enough confidence in the majority of the members of the United States Senate to believe that, under these circumstances, the pending amendment will be approved.

Mr. President, this closes the words of the Senator from Georgia. May I just add this slight comment? I meant every word that I said a minute ago, and I know what I am talking about, because I have reliable information from fellow Members of this body that a semiukase has gone out from the Department of Justice, from the HEW, from the White House, from all high authority, to this Senate, "Don't pass any amendment."

I know that is the order. That is the atmosphere in which this bill is being heard.

As for me, I defy them. I do not ask other Senators to defy them, but I ask them to consider the matter on the merits. Read the speech of the Senator from Georgia before voting on this measure.

I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, do I understand the Senator correctly to say that he places his integrity on the table in the statement which he makes, that an order has gone out that there shall be no deviation from the bill that has come before the Senate?

Mr. STENNIS. No; I did not say I place it on the table. I said that is the grapevine. That is the atmosphere in which this bill is being considered. "Do not pass any amendments; do not allow any amendments to go on the bill." That is what they want, no amendments.

I stake my integrity on the facts as I have reported them with reference to these particular school cases.

I thank the Senator from Ohio, and again I thank the Senator from Oregon for his attention to these problems. I think I know how he feels. He will argue against some of these points, I am sure; but I hope he can reconsider the matter.

I say to the Senator, do not read what I said; read what the senior Senator from Georgia said here in his prepared speech. *I think* there is light in it. The Senator from Oregon has wrestled with these problems all these years, but he has just heard, largely one side—that of HEW.

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

Mr. STENNIS. I yield.

Mr. MANSFIELD. Mr. President, I just came in at the end of the distinguished Senator's remarks, and unfortunately I heard only the conclusion of the statement of the Senator from Georgia which the Senator from Mississippi read.

I believe the Senator stated, in effect, that orders had gone down that there would be no amendments to this bill under any circumstances.

I think it should be pointed out that there has been one amendment to the bill already agreed to; and as far as I know, no orders have come from the White House, the Department of Health, Education, and Welfare, or any one or any agency, to the effect that this bill was so sacrosanct it could not be tampered with, and had to be passed as is.

I say that to make the record straight, as far as I am concerned.

Mr. STENNIS. I thank the Senator from Montana for his remarks, and I am sure that the Senator is stating the exact truth as far as his experience goes. But I have felt a different wind blow.

Several Senators addressed the Chair.

Mr. STENNIS. I yield first to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Oregon will be delighted to hear that after the sort of painful defeat I suffered—a vote of 54 to 27 on my amendment—I was told by a fellow Senator that I was blitzed.

Mr. MORSE. They misinformed the Senator from Ohio.

Does the Senator from Mississippi yield to me?

Mr. STENNIS. Yes, I am happy to yield.

Mr. MORSE. I do not want him to yield the floor yet.

Mr. LAUSCHE. I was blitzed. I have had enough experience to know.

Mr. MORSE. No, the Senator was just outvoted.

Mr. LAUSCHE. From experience in adjudicating facts, I know when I am outvoted on the basis of merit, and I know when I am blitzed on the basis of fear of the elections in 1968.

Mr. MANSFIELD. Mr. President, I think that the Senator from Ohio is off base in making a statement to that effect, because I know of no Senator in this body, and most especially the Senator from Ohio, who votes out of fear from any source. If they do, they ought to go home.

Mr. LAUSCHE. I agree with the Senator.

Mr. MORSE. May I proceed?

Mr. STENNIS. I yield to the Senator from Oregon, gladly.

Mr. MORSE. Mr. President, I did not have the privilege of hearing the Senator from Mississippi in his entirety. As he knows, I told him when I left the Chamber that a meeting had been called in the office of the majority leader to talk with counsel of the committee, the majority leader, the Senator from West Virginia [Mr. BYRD], and Mr. Libassi of the Department, who has the responsibility of handling civil rights matters.

Mr. STENNIS. If I may respond to that, I fully understand the pressure the Senator is under, and the majority leader as well; but I am still very regretful that the Senator could not be here to hear the words of the Senator from Georgia, and I am sure he will read and consider each and every word he says.

Mr. MORSE. I pledge that I will not only read it, but I also, as the manager of the bill, assure the Senate that I will not be blocked by the leadership when I say we are not going to go further with the matter until tomorrow, as far as this particular subject matter is concerned, other than what I wish to say now, if I may.

Mr. STENNIS. Let me make clear that I made no reference here to the leadership of the Senate giving out an order for no amendments. The very opposite would be true as to the Senator from Montana. I named them; I said the Department of Justice, the White House, and HEW had sent word down here, unmistakably, as I honestly believe, based on reliable information, to oppose all amendments; and that is whom I referred to, and named them a minute ago.

Mr. MANSFIELD. Mr. President, if I may interrupt there, I wish to say that as far as the President is concerned—and I think I can speak with authenticity—he has never indicated to the leadership at any time, in any manner, any feeling on his part that they should intervene in what the committee is doing on the floor, or what the Senate is doing as a whole, not only on this bill but on any bill before the Senate this year.

Mr. STENNIS. I accept the Senator's statement fully, of course. I did not say the President. I said the White House, and I meant it.

Mr. MORSE. I want the RECORD to show—and I think the Senator from Mississippi knows this is always true—and I want the Senate to know that the Senator from Oregon, as manager of this bill, speaks only for himself in regard to anything that he has said in this debate thus far, or will say.

Now, I wish to say that the purpose of the meeting in Senator MANSFIELD's office was to consider what, if any, suggestions for amendments on the subject matter of the Russell amendment we could propose. I want the Senator from Mississippi to know that the Senator from Oregon will propose an amendment as soon as we get it drafted. I think it will accomplish everything that the Senator from Georgia has a right to expect to have accomplished. I am not saying that he will approve of it, but that I think it is an amendment that will do justice to the school districts with which he is concerned. It will not do what the Senator from Oregon warned against yesterday.

I say again what I said then: Speaking hypothetically, if we get to a point in this debate where the Senator from Oregon would have to support an amendment which, in his opinion, would scuttle any part of the Civil Rights Act, or the decision of 1954, or have the effect of doing it in regard to the 14th amendment, then I would rather have no bill. That is my view. Everybody knows that is my view. I would rather, under those circumstances, have no bill and let the people of the country react as to why they do not have a bill.

But I believe as Senators—the Senator from Mississippi from the South, and other Senators from the North, the East, the West, and the Middle West—we must do everything we can to resolve our differences over this bill, consonant with the Civil Rights Act, the Supreme Court decision of 1954, and the 14th amendment.

That is what I am going to keep on trying to do.

The Senator from Mississippi knows that we have had conferences. I have had conferences with the Senator from Georgia. I have had conferences with the Senator from North Carolina [Mr. ERVIN]. I have had conferences with the Senator from Mississippi.

We have never had the time to go into the matter in detail, but I still want to go into it in detail. I have said that I am going to try to work out a legislative history that will meet the legitimate objections of those Senators who have been objecting to the administrative practices of the Department of Health, Education, and Welfare. I have tried to do that. I am going to make some legislative history before we get through with the subject matter that the Senator from Mississippi and other Senators have raised. It will be very helpful.

I say again that I will go along with having an amendment, if the Senators want to have something written into the law. An amendment which will write our legislative intent into the law regarding the protection of individual school districts.

I just finished a conference with the distinguished majority leader in his office.

I want to make it clear that I think the same protection has to be afforded in northern States as in southern States. I said in that conference in the office of the majority leader that I can cite what I think are some wrongs in respect to the perpetuation of de facto segregation in the North which, in my judgment, are just as bad as segregation in the South. They are special cases about which there is no doubt that school superintendents drag their heels and seek to prevent the implementation of the civil rights law that is the law of the land.

What would the Senator think of me, as the manager of the bill, if, in order

to get a bill, I would accept what I honestly believe to be an amendment that would, in effect, violate the civil rights law and the U.S. Supreme Court decision? I am not going to do it.

If we have—and I am sure we do—a common meeting ground with sincere men trying to right wrongs in the administration of the law of the land, I yield to no one in my desire to right those wrongs.

That is why I say to the Senator from Mississippi that between now and the time we meet tomorrow I am going to have in specific form and language a proposed amendment to the Russell amendment that I think will be fair and proper. And if anyone does not want to accept that amendment, then I would say that I do not think he wants to carry out the objectives I have just outlined. However, that is my opinion.

I am also going to make legislative history. I am going to read a letter from the Secretary of Health, Education, and Welfare in making legislative history that I think will carry out what the Atlanta Constitution has said in an editorial opposing the Russell amendment in its present form, but commending him because he has offered it. They think, and I agree, that a service has been rendered in raising the issue.

I have not read the record of what has been said. However, if the record gives the impression that the President of the United States has issued me orders, as the manager of the bill, it is not true. If the record gives the impression, based upon an understanding that the White House has issued me instructions in regard to amendments, that is not true.

I have not talked to the Department of Justice. I have talked to the advisers in the White House.

The Senator from Mississippi knows that the manager of every bill which is a part of the legislative progam of the administration talks to the White House. I have talked time and time again to representatives of HEW. However, I assure the Senator from Mississippi that no one is directing or dictating my course of action.

I am reaching my independent judgment on each issue.

I am sure that the amendment I shall offer tomorrow is an amendment that would not be written by the Department of Health, Education, and Welfare. That does not make any difference to me. I do not know whether the advisers in the White House would approve of it. That does not make any difference to me, either.

Mr. STENNIS. I am sure that is correct.

Mr. MORSE. I am going to do what I believe is right. I will do my best to persuade them between now and the time I offer that amendment. However, I am speaking in the blind and in the dark, because I have not had the advantage of reading everything the Senator from Mississippi has said. It will be read before I come to the floor of the Senate tomorrow. And the Senator and I will have a conversation about it before either of us comes to the floor tomorrow.

Mr. STENNIS. Mr. President, I assure the Senator that I said nothing about him in any way other than a complimentary way.

Mr. MORSE. I agree that the Senator would not.

Mr. STENNIS. I stand on exactly what I said. And I was directing my remarks at the so-called civil rights part of the bill, not these money amendments. I do not know that anyone knew about the amendment of the Senator from Ohio. I refer to the amendment about busing and the amendment that the Senator from Georgia had offered, and the Fountain amendment in the so-called field of civil rights. I think they are using these billions of dollars to put on a civil rights program.

I subscribe to the law of 1964, and I made a public statement to the effect that it was the law of the land, even though I opposed it.

I was calling on Senators to exercise their own responsibility as men, which I believe they are, to consider this matter on its merits.

I named Mr. Libassi. The fact that I did not name others does not exclude others. I feel that I know Mr. Libassi's intentions are fine. He is an educator, and he wants to do the right thing.

I have not had the privilege of knowing him personally.

I am not imputing bad intentions to anyone, but I know the atmosphere in which this is being considered.

Mr. MORSE. Mr. President, I address myself to the majority leader. I understand that the Senator from Massachusetts [Mr. BROOKE] wants to make a brief statement on the subject matter the Senator from Mississippi has been talking about.

I understand that the Senator from New Mexico [Mr. MONTOYA] and the Senator from Minnesota [Mr. MONDALE] want to bring up the conference report on the meat inspection bill.

As far as I am concerned, we have work to do along the lines I have just discussed, and I would suggest that, after the Senator from Massachusetts gets through, or anybody else who wants to talk about the bill, it be understood that we take no further action on the bill tonight, but go over to, I hope, a reasonably early hour tomorrow.

Mr. STENNIS. Mr. President, I say to the Senator from Oregon that I know he confers with members of the White House staff and with the HEW staff. And he ought to do so. That is part of the procedure. I do so myself.

The Senator does not have to explain anything to me.

I do not want to continue to keep the floor at this time.

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

Mr. STENNIS. I yield.

Mr. THURMOND. Mr. President, I think the distinguished Senator from Mississippi has explained this amendment in a very simple way.

The Senator from Oregon was not present on the floor at the time. That is the reason I thought I would ask a question.

I believe that the Senator from Mississippi made it plain that all that the Russell amendment would do would be to simply direct that HEW would make a decision on what funds any school district is entitled to prior to the date of the opening of the school and would not cut off funds after that time.

Mr. STENNIS. The Senator is correct.

Mr. THURMOND. They will, in other words, consider the application of any school district and make a decision prior to the opening of the school.

Mr. STENNIS. The Senator is correct.

Mr. THURMOND. It does not affect the guidelines. It does not attempt to affect the Civil Rights Act of 1964 or any other provision of law. It merely says to HEW, in order that the trustees may know just what funds they will get from the Federal Government for the coming school year, we are going to make the decision now instead of waiting until school has opened. Am I correct?

Mr. STENNIS. The Senator is correct. And that is all it means.

A situation may arise in which, for some reason not their fault, they will not have time to do it. But the little harm—if it can be called harm—of letting that district get a year's money is nothing compared with terminating these funds right and left among dozens of them in midsession.

Mr. THURMOND. In South Carolina the legislature meets in the spring of each year, and they make the appropriations for schools in the various counties at that session. Then, when school opens in September or in the fall, each school district knows exactly what funds to expect from the State, and then they know exactly what funds they will have to raise themselves in order to run these schools and to pay the teachers a certain salary. So they can plan for the year's work.

I understand that the purpose of the Russell amendment is to enable the trustees to become acquainted with what Federal funds they will be able to get for the coming school year.

Mr. STENNIS. The Senator is correct.

Mr. THURMOND. And after the school year has begun, the decision will have been made and no funds will be cut off later, so that some rural district or some other district might have to levy a large number of mills for what the Federal Government has withdrawn.

Mr. STENNIS. The Senator is correct, and I thank him for bringing it out so clearly. That is the purpose, and the only purpose.

### EDUCATING MIGRANT CHILDREN

Mr. WILLIAMS of New Jersey. Mr. President, one of the most important milestones of the Great Society is the Elementary and Secondary Education Act of 1965.

I wish to congratulate the distinguished senior Senator from Oregon [Mr. MORSE] on his relentless leadership in this legislation. He is comprehensive in his scope, perceptive in knowing the educational needs of the 20th century, and indefatigable in pressing for these much needed reforms. I am privileged to work with him on his subcommittee. His able staff assistant, Mr. Charles Lee, also deserves high praise for his ef-

ficiency, vast knowledge, and sensitivity to the problems of education.

Mr. President, a report card for elementary and secondary education would show passing grades for innovations, attention to our disadvantaged youngsters, research, and the like. But, no passing mark for the special attention to the needs of our most educationally deprived children—the sons and daughters of migrant farmworkers.

In a day when education is discussed as a panacea, the best we have offered these children is less than a minimal education.

As a result of our concern in the committee for this failing grade, which has characterized most of our educational institutions until recently, we have instructed the Department of Health, Education, and Welfare to look into this matter for us. To emphasize this concern, the committee in its report said:

It is the sense of the committee that the Department of Health, Education, and Welfare create a special high level position to pool the resources available, to encourage the development of programs of a multi-county and multi-State nature and to interest colleges and other groups in initiating research programs specifically designed to meet the needs of transients in education and educationally related matters on a continuing basis. The Department is expected to prepare a comprehensive report to be transmitted to the Committee within a year. The report should describe the progress made and a projection of future plans, together with an evaluation of the over-all effectiveness of the continuing projects.

Mr. President, I ask unanimous consent that this section of the report, dealing with the education of migratory children, be printed in the RECORD.

There being no objection, the excerpts from the report (Rept. No. 726) were ordered to be printed in the RECORD, as follows:

EDUCATION OF MIGRATORY CHILDREN

Last year, the Elementary and Secondary Education Act was amended to include special provisions for migrant children in title I. They were being bypassed by regular educational services because of the nature of their parents' employment which necessarily interrupted the education of their children. The provisions of this amendment authorized Federal grants to the States for educational assistance and construction of school facilities for migrant children within the framework of our regular school systems. Funds are available for the construction of school facilities, the hiring of extra teachers, the purchase of textbooks and for summer-school programs in home-based States and along the migrant stream for the education of these children.

The committee is concerned about a recent progress report that calls the educational program for migrant children, "comprehensive in scope," "innovative in nature," and "progressing at a rapid and satisfactory rate."

This is true of title I. The first year of operation under the "Special Programs for Educationally Deprived Children," as amended to include migratory children, has been highly successful from the viewpoint of State participation and the types of programs developed. At the close of business on June 30, 1967, the last day a project could be submitted for approval from fiscal year 1967 funds, 134 projects had been received in the U.S. Office of Education. These projects encumbered 98 percent of the total fiscal year 1967 allotment of $9,737,847 and planned to serve 112,996 children. Forty-four States submitted projects for approval.

Reports on title III do not reveal any significant effort in this area. Certainly, the socioeconomic factors applicable to the migrant worker as well as the educational inadequacies of the migrant children present a real opportunity for the innovator. Yet, there are only two grants designed to bring title III services to migrant children. No new statutory authority is needed to serve these children.

Further, title V has only one interstate project.

It is obvious that we need massive educational opportunities tailored to meet the needs of the migrant. Orientation centers, bilingual teaching, effective and comprehensive dissemination plans, portable classrooms, migrant education teaching teams, workable administrative procedures for records, migrant-oriented learning aides, accurate testing tools, interstate planning and implementation are needed.

Programs such as those mentioned, if they are to reach the needs of the migrants, must necessarily traverse State lines to include a continuing program from the home base across the many States of the migrant stream. Even though funds under title III must necessarily go directly to the local education agency, groups of local educational agencies may combine for interstate programs. Funds under title V go directly to the individual States. Therefore, although there is no provision which requires multi-State programs, there is adequate authority for States to combine their title V efforts for migrant children. The States are expected to do so. Furthermore, under the Cooperative Research Act, it is possible that programs of this nature can be developed, but none have been thus far.

The committee does not expect any further delay, or even a "satisfactory rate" of progress. A concentrated effort to bring these more than 200,000 migrant children up to minimum standards of education is needed.

It is the sense of the committee that the Department of Health, Education, and Welfare create a special high level position to pool the resources available, to encourage the development of programs of a multi-county and multi-State nature and to interest colleges and other groups in initiating research programs specifically designed to meet the needs of transients in education and educationally related matters on a continuing basis. The Department is expected to prepare a comprehensive report to be transmitted to the committee within a year. The report should describe the progress made and a projection of future plans, together with an evaluation of the overall effectiveness of the continuing projects.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12144) to clarify and otherwise amend the Meat Inspection Act, to provide for cooperation with appropriate State agencies with respect to State meat inspection programs, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6111) to provide for the establishment of a Federal Judicial Center.

The message further announced that the House agreed to the amendments of the Senate to the amendment of the House to the bill (S. 830) to prohibit age discrimination in employment.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 12121) to amend the act of September 19, 1964 (78 Stat. 983), establishing the Public Land Law Review Commission, and for other purposes.

The message notified the Senate that Mr. BURTON of Utah has been appointed as a conferee at the conference on the bill (S. 889) to designate the San Rafael Wilderness, Los Padres National Forest, in the State of California, vice Mr. REINECKE, excused.

## ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. tomorrow morning.

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

## ORDER FOR RECOGNITION OF SENATOR PROXMIRE AND SENATOR TOWER TOMORROW

Mr. MANSFIELD. Mr. President, there will be no period for the transaction of morning business tomorrow. I therefore ask unanimous consent that the distinguished Senator from Wisconsin [Mr. PROXMIRE] be recognized for up to 15 minutes at the conclusion of the prayer.

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

Mr. MANSFIELD. Following the remarks of the Senator from Wisconsin, I ask unanimous consent that the distinguished Senator from Texas [Mr. TOWER] be recognized for up to 30 minutes.

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

## STEEL PRICE INCREASE

Mr. HART. Mr. President, very briefly, I have just been advised that a third steel price increase has been announced.

Plant capacity in steel in this country is still operating at about 75 percent. We have been importuned in this Congress to throw up some quotas to protect the domestic steel industry. We have been told about import pressure and competition. Now, we learn about the third increase domestically. First it was cold rolled steel, hot rolled steel, and now galvanized.

Each one of these companies, I suspect, has a substantially different cost basis, but the increases are all the same—$5 a ton, $2.50 a ton, or whatever it is.

When an announcement is made by one company that a price increase is being made, the newspapers do not speculate about who is going to cut prices to

get more business. The speculation is, How soon will everybody go up to meet the competition? That is the kind of competition which exists in the steel industry in this country, I sense from reading the press.

This lockstep pressuring has been characteristically increasing in a number of these highly concentrated industries. It is my belief that the existing antitrust laws do reach and may well be applicable to such situations like this.

Mr. President, I ask that the Department of Justice undertake what is admittedly a very difficult study, but a study that is of enormous importance. We spend much time talking about inflation. I would hope that the Department of Justice and the Attorney General will now sit down and say what kind of competition exists in the steel business. Certainly we would want some answer on that before we talk about increasing further the cost of steel to the users of steel in this country by increasing tariffs or applying any duties.

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

Mr. HART. I yield.

Mr. HRUSKA. Not too long ago there was a statement by a high official in the Department of Agriculture that the net farm income of this Nation was going to be 10 percent less in 1967 than it was in 1966. 1966 was not a banner year. He went on to state that the gross income of farmers for 1968 would be a billion dollars more next year than this year, but the net income would be the same as this year, or possibly a little less.

Obviously, the difference for the increase of a billion dollars is taken up by the forces we refer to as inflation.

I am wondering if it would be in order for the Department of Justice to investigate why it is that that increase has happened in the cost of the farmers doing business, because that apparently is a part of the entire system. It is a pattern, a part of which was referred to by the Senator from Michigan, in respect to the increasing cost of living, which is another way of saying inflation. Would it not be in order to try to probe that part of it to find out why the farming population of this Nation is subjected to this cost-price squeeze?

Mr. HART. If, indeed, it is a "cost-price squeeze" in the steel industry. Let us find out what the factors are that operate in the one dozen or so producers of steel, as distinguished from the factors in regard to the hundreds of thousands of farmers in this country that cause this pattern to persist, when one fellow operating at less than capacity announces an increase of $5 more.

Everybody waits for the shoe to drop. How soon will everybody move up to meet that competition? That is not the textbook concept of competition in the marketplace. They can do all they wish with respect to other aspects of the economy, but my request is that they zero in on this situation along with any others they wish to look at.

I believe the American public is due an objective analysis. I do not expect the steel company public relations people to insist other than that this is necessary to maintain operating margins in response to increasing cost. Let the public have a public agency responsible for the enforcement of the antitrust laws make its judgment.

Mr. HRUSKA. The only suggestion I have to make is: Why draw the line in that regard? It is not too long ago that a big automobile manufacturer was able to negotiate a settlement in a labor dispute, the bulk of which had to do with the wage structure. Now, we are waiting for a second and a third shoe to fall in that regard.

Why exclude other matters from scrutiny in connection with the inquiry of the Senator from Michigan, who speaks with respect to the steel industry. Why departmentalize this economy of ours and say, "Here is something that is a good whipping boy from all appearances. Let us lash him hard." Why not turn to other facets which are just as important but studiously avoided under all appearances?

Mr. HART. They cannot investigate, inquire into and analyze every price structure in this country.

We do not finance a Department of Justice adequately to do that kind of job. They have to start someplace.

I suggest there is no segment of our economy which more directly affects the price of consumer goods across the country than steel. In my book, they can start there and do a good job.

Mr. HRUSKA. Unless it be heavy Government spending and Government deficits. This body refused, by a vote of 54 to 27, to act on amendments of the Senator from Ohio which would have taken concrete steps to hold down spending, which is the largest cause of increased prices.

Perhaps we should indulge in a little self-introspection so that we get matters in the proper perspective.

Mr. HART. I thank the Senator from Nebraska. I think the Senator answered his suggestion that this is the consequence of our action. We make our judgment as to the prudence of our spending. In my opinion, many of the bookkeeping approaches to Goverment spending are penny wise and pound foolish. I agree there is waste. But this is up to us to correct.

I ask that the Department of Justice make a thorough investigation and analysis of pricing factors in steel. This is not to make them a whipping boy but to acknowledge an economic fact of life. When steel goes up $5 a ton it is felt in radios, kitchenware, automobiles, and everything that the farmer gets. If someone has a more obvious item about which he is concerned, he could suggest that to the Department of Justice. I suggest steel.

## EXECUTIVE SESSION

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

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

## FOREIGN CLAIMS SETTLEMENT COMMISSION

The assistant legislative clerk read the nomination of LaVern R. Dilweg, of Wisconsin, to be a member of the Foreign Claims Settlement Commission.

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

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

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

## LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

## ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1967

The Senate resumed the consideration of the bill (H.R. 7819) to strengthen and improve programs of assistance for elementary and secondary education by extending authority for allocation of funds to be used for education of Indian children and children in overseas dependents schools of the Department of Defense, by extending and amending the National Teacher Corps program, by providing programs of education for the handicapped; to improve authority for assistance in schools in federally impacted areas and areas suffering a major disaster; and for other purposes.

Mr. BROOKE. Mr. President, the Senate is engaged today in debating forward-looking and carefully formulated legislation which represents a commitment by the Government of the United States to quality education for all of the Nation's citizens. Passage of these provisions will expand, improve, and finance educational programs where the need is greatest. It will permit more comprehensive and sophisticated educational planning and experimentation. It will establish necessary priorities with respect to the allocation of Federal educational assistance funds. It demonstrates that Congress is prepared to back up America's oft-expressed concern with a high standard of education with sensible programs and with sufficient funds.

But because there is so much promise in the bill which the Committee on Labor and Public Welfare has brought to the Senate floor, it is doubly important that we not permit arbitrary and regressive amendments to be attached to it. The amendment to H.R. 7819, which the Senator from Mississippi discusses on the floor today, represents a compromise both with the Constitution and with commonsense. It goes beyond even the provisions of the so-called Fountain amendment which was added to the bill by the House of Representatives, but wisely deleted by our own Committee on Labor and Public Welfare. It must be defeated if it is called up on the floor of the Senate.

Whatever may be the purpose of this amendment, there can be no doubt that the effect of it is to obstruct the efforts of the Department of Health, Education, and Welfare to enforce the equal opportunity provisions of title VI of the Civil Rights Act of 1964. The wording of the amendment is very clear to this effect. It provides that in no case in which a local educational agency has filed an application for financial assistance for a given fiscal year, or in which it is to receive financial assistance under an existing agreement reached pursuant to this act or any statute amended by this act, may the Secretary of Health, Education, and Welfare terminate or refuse to grant such assistance after the beginning in any fiscal year of such agency's school year under the authority of title VI of the Civil Rights Act of 1964.

The result would be the complete emasculation of the funds termination process set forth in section 602 of title VI. Once the school year commenced, a given school district would be able to adopt the most wildly discriminatory and unconstitutional administrative procedures without fear of loss of Federal funds previously awarded for use at that time.

What is even more extraordinary is that once the school year had begun, the Secretary would be compelled to act favorably upon an application for new grants for the same year despite the existence of obvious violations by the applying school administrators of both the U.S. Constitution and Federal statutes. I cannot believe that the Senate is about to authorize a procedure under which a school district which is clearly in violation of title VI can nevertheless extract additional financial assistance from the U.S. Government for new programs to be administered on a discriminatory basis while the Department of Health, Education, and Welfare is forced to sit by and provide the requested funds without a murmur.

This questionable approach would effect a radical change in the procedures for enforcement of title VI which are presently authorized and which have been administered by the Department flexibly and successfully. As presently written, and as left untouched by the Senate Committee on Labor and Public Welfare, section 182 of the Elementary and Secondary Education Amendments of 1966 permits the Department to defer approval of applications for new grants for a period not to exceed 60 days after the district in question has been notified that it may not be complying with the requirements of title VI. If a hearing is completed within that 60-day period, the hearing examiner is allowed an additional 30 days to prepare his findings. If a decision has not been made within the total of the 90 days I have referred to, the Department must by law act upon the application.

The Honorable John W. Gardner, Secretary of Health, Education, and Welfare, has testified before the Subcommittee on Education of the Commitee on Labor and Public Welfare that his Department has for the most part attempted to secure voluntary compliance with the provisions of title VI without resort to the weapon of termination of Federal funds.

Approximately 150 cases have arisen in which hearings were instituted under section 182 during the past 2 years. In only three of these did the hearing examiner find that the district in question was actually complying with the 1964 Civil Rights Act and that deferral of action upon the application for Federal grants had been improper. In two of the three, the finding of compliance was based upon actions taken by the local educational agencies after they appeared before the hearing examiner.

Obviously, the present system is being fairly administered. It represents a reasonable attempt by the Congress to guarantee that Federal grants will not support administration of educational systems which violates the U.S. Constitution. The 90-day deferral period protects the funds of the taxpayer without imposing too onerous a burden upon the school district which is affected. Ordinarily there is no reason for changing a system which has worked well. In the present case, the conclusion is unmistakable that the proponents of change view the proposed amendment as a subtle way to obstruct progress in desegregating many of the country's public school systems.

Mr. President, this is hardly the time for the United States to falter in the area of school desegregation. Thirteen years after the U.S. Supreme Court's historic Brown decision, the U.S. Office of Education is compelled to state that the majority of the Nation's students still attend segregated schools. Sixty-five percent of first-grade Negro children attend schools which are at least 90 percent Negro. Eighty percent of first-grade white children attend schools which are at least 90 percent white. The percentages are even higher in the South. And these figures are reflected throughout the educational spectrum.

Education in the United States tends to reinforce the very negative social factors which it is the object of education to eliminate. The problem of segregation in education must be met, not evaded. And one logical way to meet it is to use the fiscal power of the Government of the United States.

Mr. President, the purpose of the Fountain amendment, to which I referred earlier, was to prohibit the Secretary of Health, Education, and Welfare from deferring action upon an application for Federal funds on the basis of an alleged violation of title VI without resort to the cumbersome and time-consuming funds termination process set forth in that title. This amendment was opposed by the Secretary; by the Commissioner of Education; by the League of Women Voters; by the AFL–CIO; by the National Leadership Conference.

The present amendment will be even more damaging to the cause of quality education for all of the Nation's people. It will be opposed by all who believe that the Federal Government must put its money where the principles and guarantees of the Constitution and of Federal laws are respected. By its action upon this amendment, the Senate will demonstrate whether it is serious in its commitment to the protection of the constitutional rights and liberties of all citizens. The public awaits the answer. I urge my colleagues to reject such an amendment if it is called up on the floor.

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

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from Massachusetts yield to the Senator from Oregon?

Mr. BROOKE. I yield.

Mr. MORSE. I want to commend the Senator for his statement. If the amendment were to be called up in the form in which it has already been discussed, I would join the Senator completely.

I hope that tomorrow, when we may have either an amendment modified, or an amendment to the amendment that I think would make the amendment as modified acceptable, I am going to make it a point to see the Senator personally tomorrow, as soon as we get it drafted, and explain to him, get his views, and hope to get his support, if he shares my views that it would make an acceptable amendment.

Mr. BROOKE. I am grateful to the Senator from Oregon. I shall be very pleased to see him tomorrow morning after the amendment has been drafted.

Mr. President, I yield the floor.

Mr. BYRD of Virginia. Mr. President, I have at the desk an amendment to the pending measure amendment No. 488. I do not plan to call it up at the present time. I do wish to say, however, that it has nothing to do with States rights, it has nothing to do with civil rights, it has nothing to do with integration, and it has nothing to do with segregation. However, the language which it seeks to delete has very far-reaching implications. I ask unanimous consent that the text of the language to be deleted be printed in the RECORD at this point in my remarks.

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

(b) In the event that no appropriation for the purpose of making payments pursuant to title I of the Elementary and Secondary Education Act of 1965 is made prior to the 15th day in May immediately preceding the beginning of any fiscal year, the Commissioner may execute grant agreements for grants pursuant to such title for such fiscal year. Such grant agreements shall be obligations of the United States. The amounts of such grant agreements shall be determined on the basis of an appropriation for the purposes of such title equal to the amount appropriated for such purposes prior to the 15th day in May for the fiscal year in which such day occurs.

Mr. BYRD of Virginia. Mr. President, the measure now before us provides that in the event Congress does not appropriate funds under this act in subsequent years, the Commissioner of Education can, regardless, obligate, in the name of the Government of the United States, grants to the various States in an amount equal to the appropriation of the previous year.

The language I seek to delete says that we do not need an appropriation bill, that the Commissioner of Education can, on his own initiative, without any appro-

priation from Congress, obligate our Government to the extent—I cannot recall the exact figure, but in this bill it would mean some $2 billion, in round figures, for subsequent years.

Mr. President, it seems to me that this is one of the most far reaching pieces of legislation that has come before the Senate in the 2 years I have served in this body. I cannot conceive that the Senate would adopt this language. I cannot conceive that Congress would adopt this language.

Not many weeks ago, 15 or 18 or 20 Senators took to the floor of the Senate, including and led by, I believe, the distinguished, able, and splendid majority leader, together with the Senator from Arkansas and the Senator from Oregon, to say that Congress has given too much power to the Chief Executive, has given too much power to the executive branch of the Government. I concur in that thought. They were speaking mainly—I joined them that day—about foreign policy. I concur that we have given too much power to the executive branch with regard to the handling of foreign affairs. It is time we get back some of that power.

The pending measure seeks to give to the executive branch of the Government additional power with respect to handling the Nation's finances, putting billions of dollars into the hands of nonelected officials, money that has not even been appropriated.

Section 9 of article I of the Constitution reads:

> No Money shall be drawn from the Treasury, but in Consequence of Appropriation made by Law.

I submit that the proposal submitted by the Senate committee in section 405 (b), page 135 of the pending measure, would grant a power to an official in the executive branch of the Government which that official should not have and no other official should have.

Under the Constitution, the Members of Congress—the Representatives of the people—are the only ones who have the power to appropriate money which has been taken from the taxpayers of our Nation.

The purpose of my amendment is to delete that language. I do not plan to call up the amendment today. I probably will call it up tomorrow. But I did wish to make these few remarks tonight.

I thank the Senator from Mississippi for yielding.

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

Mr. BYRD of Virginia. I yield to the Senator from Ohio.

Mr. LAUSCHE. Does the amendment of the Senator from Virginia contemplate striking the material appearing on page 135 of the bill and identified as lines 6 to 17, inclusive?

Mr. BYRD of Virginia. The Senator is correct. It refers to the language which appears on page 135 of the bill, beginning at line 6 and extending through line 17.

Mr. LAUSCHE. That language gives to the Commissioner of Education the power to enter into agreements and to make them binding obligations upon the United States, whether or not there has been appropriate legislation passed.

Mr. BYRD of Virginia. The Senator is correct.

Mr. LAUSCHE. The Senator from Virginia takes the position that such broad power should not be given to any member of the Government, thus eliminating the requirement that no money shall be spent except as duly appropriated by Congress?

Mr. BYRD of Virginia. The Senator is exactly correct in his interpretation.

Mr. LAUSCHE. I thank the Senator.

## WHOLESOME MEAT ACT—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I call up a privileged matter.

I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12144) to clarify and otherwise amend the Meat Inspection Act, to provide for cooperation with appropriate State agencies with respect to State meat inspection programs, and for other purposes.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The assistant legislative clerk read the report.

(For conference report, see House proceedings of today.)

Mr. HOLLAND. Mr. President, the report was signed by all conferees on the part of the Senate.

The PRESIDING OFFICER. The Chair is advised that the report is signed by all of the Senate conferees.

Mr. HOLLAND. My understanding is that the report is signed by all Senate conferees and that all but two of the House conferees signed the report.

The PRESIDING OFFICER. The Senator is correct.

Mr. HOLLAND. I thank the Presiding Officer.

Mr. President, I ask unanimous consent for the immediate consideration of this conference report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. HOLLAND. Mr. President, the Senate and House conferees on the meat inspection bill reached an amicable agreement yesterday which I feel provides for the type of inspection service most of us envisioned when the bill was being debated in the Senate last week.

Essentially, the Senate bill differed from the House-passed measure in seven major instances:

First. The Senate bill included a subsection requiring annual reports on the administration of the imported meat provisions of the act. This is the Hruska amendment. I am glad to say that the House conferees accepted this with an amendment clarifying and simplifying reporting requirements related to the handling of imported meat and meat products.

I see on the floor the distinguished Senator from Nebraska [Mr. HRUSKA]. I understand he agreed to and participated in the drafting of the modified wording.

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

Mr. HOLLAND. I am glad to yield to the Senator from Nebraska.

Mr. HRUSKA. The amendments made to the amendment of the Senator from Nebraska were discussed both with the manager of the bill, the Senator from New Mexico, and also the Senator from Minnesota. I believe the changes made are very beneficial and point up the amendment so it will be much more effective for the intended purpose.

Mr. HOLLAND. I thank the Senator. That was my understanding. I am glad to have it confirmed.

Second. The Senate measure continued a provision in present law which gives the Secretary of Agriculture authority to exempt certain retail butchers and retail dealers from the application of full Federal meat inspection. On this amendment the House was adamant and the Senate conferees had to recede. The provision was deleted from the conference substitute. In this regard I have a letter from Mr. Mehren, Assistant Secretary of Agriculture, which shows in detail that the existing practice was being phased out anyway.

I present that letter and ask unanimous consent to have it printed in the RECORD at this point.

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

DEPARTMENT OF AGRICULTURE,
*Washington, D.C., December 5, 1967.*

Hon. SPESSARD HOLLAND,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HOLLAND: The Department has been requested to furnish a statement of its policy on the application of the authority for retail exemption certificates under the legislation now being considered by the Conference Committee on H.R. 12144. I have outlined below the policy we would follow.

1. The exercise of authority for retail exemption certificates is now discretionary with the Secretary.

2. All such plants operating under exemptions currently must meet all sanitary requirements.

3. As a matter of Department policy, the Meat Inspection Division is not granting any further exemptions under this authority.

4. Further, the number of plants now operating under exemption is gradually being reduced with the eventual goal to eliminate these exemptions.

5. The same standards are applied to all holders of certificates. In view of the foregoing, the Department would not contemplate the application of exemptions to intrastate plants.

Sincerely yours,

GEORGE L. MEHREN,
*Assistant Secretary.*

Mr. HOLLAND. Therefore, I feel that the loss of this amendment means little.

Third. The Senate amendment deleted a provision in the House-passed bill which would have permitted the Secretary of Agriculture to grant exemptions in the District of Columbia and unorganized territories from the application of the act. The House conferees receded with an amendment which denies exemptions in the District of

Columbia, but permits exemptions in unorganized territories.

Under the conference bill Federal inspection will prevail in the District of Columbia.

Fourth. The Senate amendment substituted the term "at least equal" in lieu of the term "comparable" to describe the standards which States must meet in order to qualify for Federal assistance under the act. The House conferees receded on this provision.

This means that the State statutes, in order to be approved by the Secretary of Agriculture, must be held by him to be at least equal to the requirements of Federal standards.

Fifth. The Senate amendment included a provision requiring that the appropriate State law specifically permit access by the Secretary of Agriculture in order for such law to be considered at least equal to the requirements of title II of the Federal Meat Inspection Act. The House receded on this provision also.

Sixth. The Senate amendment provided for the extension of Federal inspection to all intrastate operations under three circumstances: First, upon request of a Governor who waived the application of State law in order to permit immediate Federal inspection; second, upon a finding that the State has not, within a prescribed period of time—no later than 3 years from the date of enactment of this legislation—developed an inspection system at least equal to the Federal system; and, third, if the Secretary finds any plant is distributing adulterated products dangerous to the public health. The House conferees accepted the second and third instances, but refused to accept the provision which would have permitted the Governor of a State to waive the waiting period and request Federal inspection immediately.

Seventh. The Senate amendment required more detailed reports concerning the operation and administration of the act to be submitted annually to the Committee on Agriculture of the House and the Committee on Agriculture and Forestry of the Senate. The House conferees agreed to accept this provision.

There was some discussion within the conference concerning the application of Federal standards regarding plant construction and other structural requirements. In order to clarify the position of the Department of Agriculture we requested an explanatory letter, which I now offer for the RECORD, and which I ask unanimous consent to have included in the RECORD as a part of my remarks.

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

DEPARTMENT OF AGRICULTURE,
*Washington, D.C., December 5, 1967.*

HON. SPESSARD L. HOLLAND,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HOLLAND: This letter is written in response to your request made at the meeting of the conference on H.R. 12144 for information regarding plant construction requirements in connection with the Federal Meat Inspection Program.

The eligibility of an establishment for inspection under the Federal Meat Inspection Program is based upon a combined evaluation of the operating procedures used by the establishment and the building construction and physical facilities rather than upon a separate evaluation of these factors. As a result of many requests a guide to plant construction and equipment has been put together for use by industry operators, architects, engineers, and other Government officials (foreign and domestic) interested in the sanitary handling of products within an establishment. The guide is a collection of recommended minimum standards. However, a great variety of arrangements, building materials, and equipment have been considered acceptable so long as they lend themselves to the production under sanitary conditions of clean wholesome product.

The only mandatory construction requirements are set forth in general terms in the regulations. These requirements relate directly to maintenance of sanitary conditions for the production of wholesome meat. For example, "The floors, walls, ceilings, partitions, posts, doors, and other parts of all structures shall be of such materials, construction, and finish as will make them susceptible of being readily and thoroughly cleaned."

The Secretary has responsibility under the statutory authority to insure that meat and meat food products are produced under sanitary conditions which will result in the production of wholesome food. Therefore, the only building construction or equipment requirements mandatorily prescribed under or contemplated by the statute are such as are necessary to insure sanitary conditions in the light of operating procedures which are to be used in the establishment.

Sincerely yours,

RODNEY LEONARD,
*Deputy Assistant Secretary.*

Mr. HOLLAND. Mr. President, I feel that we have a good bill before us; one that will provide consumers with assurance that all meat will be wholesome and clean. And further, one that will not wreak havoc on the industry, but will benefit livestock producers and conscientious meatpackers and processors.

In closing, I want to congratulate the distinguished Senator from New Mexico [Mr. MONTOYA] and the distinguished Senator from Minnesota [Mr. MONDALE.] Both of them were active in the presentation of this legislation, especially the Senator from New Mexico, who presented the act, and the modifying amendments were presented by the two Senators, as I have mentioned.

In effect, the conference measure brings out largely unaffected the Montoya-Mondale Act, and I congratulate them upon that fact.

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

Mr. HOLLAND. I yield to the Senator from New Mexico.

Mr. MONTOYA. Mr. President, I want to commend the Senator from Florida not only for his great help in the committee but also for his great help in chairing the conference into a final resolve on the issues which confronted us.

I also want to pay tribute to the members of the House committee who came into the conference with a determination to get meat inspection improved for the American consumer.

There was no opposition to the concept of meat inspection as embodied either in the House or Senate bill. There was a little diversion of opinion as to the approaches that were involved in both bills.

I want to say also that the Senator from Minnesota, as we neared the finish line, contributed greatly to formulation of the final piece of legislation. He was also a great help in the conference. The bill that has emerged from this conference, I am sure, will assure to the American consumer a dual inspection system which, in my opinion, is an improvement upon the Federal system which we have and upon which we have had to rely.

Under the concept as embodied in the finished product here, the consumer emerges as victor. I think this piece of legislation more than any other in recent years has demonstrated that if the American taxpayer, whether he be clothed under an umbrella as a consumer or whether he be otherwise, exercises his right of petition and has himself heard, as he was heard by the Congress of the United States, the Congress will respond, as the Congress has responded in this battle for better consumer legislation.

I think it is a tribute to the American Congress that it has stood by almost overwhelmingly to try to protect the American consumer, to bring him a facility which will insure improved standards for health and the production of food which is vitally necessary for the promotion of the health of the human being.

So in closing, I wish to commend all those people who had a part in this legislation; and I thank all Members of Congress who supported the measure for responding so warmly and so responsibly to the clamor of the American consumers in enacting this measure.

Mr. President, we are now at the threshold of success in insuring adequate and proper meat inspection on behalf of all American consumers. Evils exist, and ample evidence has been presented that we all run the risk of being exposed to them and their consequences. It is plain for all to see that the public health can be placed in jeopardy by unwholesome meat and meat products.

The evidence has been examined by the Congress and the public. A legitimate and growing demand has been heard for the correction of these evils. The marketplace must be clean, and we have at hand the means with which to provide for the cleansing.

There is no reason on earth why this situation should continue unchanged. An aroused public will not allow it. A responsible meat industry will not tolerate it. An aware and responsive Congress will not suffer it.

The conference report that we have before us delineates the fairest and most effective series of steps.

A Federal-State relationship is maintained that closes the loopholes without infringing significantly upon the responsibilities and agencies of the respective States.

The consumer interest is foremost, and closing the existing loopholes in meat inspection, and providing for the quick action that must be taken in case of clear danger to the public health constitute required procedures to effectuate this objection. The unscrupulous operator can

be taken in tow and his nefarious activities inhibited.

The meat inspection programs of the respective States are offered the Federal aid they would require in order to strengthen their meat inspection programs.

Mr. President, I think it is imperative that we establish here the intent of the Congress on two important matters 'n enacting this legislation. First of all, the Congress has provided that the Federal share of the funds to be used to finance this program will come from general appropriations. It is anticipated that the States, because of our provision that they provide for programs "at least equal to" those of the Federal Government, will likewise provide for the cost of their share through appropriations out of general revenue funds. It is not the intent of Congress that user taxes be used for financing of meat inspection programs under this act, either on the Federal or State levels.

Secondly, Mr. President, at the present time only federally inspected plants are able to bid on meat contracts for Federal institutions. It is certainly the intent of the authors of this legislation before us that where a State has enacted and is enforcing a State meat inspection program meeting requirements "at least equal to" Federal requirements, that the plant subject to such State meat inspection program be entitled to bid on all meat contracts for Federal institutions. It is only reasonable and equitable that once these plants are subjected to and made to comply with standards at least equal to those of federally inspected plants, there is no reason to not allow them to bid on such contracts.

I believe that the intent of the legislation is quite clear in this respect. I just wanted to point this out so there can be no mistake about it. I ask unanimous consent to have printed at this point in the RECORD a letter from Congressman SAMUEL S. STRATTON, 35th District, New York, enclosing a letter from Mr. Owen M. Begley, counsel to the New York State Meat Packers Association, raising this very question. My comments here today are meant to eliminate any doubt that may still remain on this matter.

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

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D.C., November 27, 1967.*

Hon. JOSEPH M. MONTOYA,
*U.S. Senate, Washington, D.C.*

DEAR JOE: Following up our phone conversation of the other day, I am enclosing a letter from former State Senator Owen M. Begley of Schenectady, New York, who is counsel to the New York State Meat Packers Association.

Senator Begley makes the point that if the new meat inspection legislation which you and Congressman Purcell are sponsoring is enacted, individual states will be required to bring their inspection procedures into line with Federal meat inspection procedures. When an individual state's program wins Federal approval, Senator Begley says, it would seem to make sense to give meat packers whose plants are regularly inspected by such an approved state system the same privilege of bidding on meat contracts for Federal institutions that is now reserved exclusively for those plants subject to Federal inspection.

You indicated to me that it was your belief that under the legislation which you have sponsored this result would be automatic, that no amendment to the legislation would be required to achieve the result which Senator Begley recommends.

In that case, I believe it would be most helpful to the New York State Meat Packers Association if this particular point could be made in the Record as part of the legislative history on your bill. I am sure too that Senator Begley would have no objection if his letter were used as a basis for making this point in the legislative history.

I appreciate your help on this matter, and know that its clarification by yourself as author of the Senate legislation will be of great benefit to meat packers in New York State as well as elsewhere.

Sincerely yours,

SAMUEL S. STRATTON.

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BEGLEY, MOYNIHAN & SHAW,
*Schenectady, N.Y., November 15, 1967.*

Congressman SAMUEL STRATTON,
*House of Representatives Building,*
*Washington, D.C.*

DEAR SAM: As you know, I am counsel to the New York State Meat Packers Association, which is composed of companies engaged in every phase of the meat industry in our State. This organization has been a strong supporter of adequate meat inspection, having worked to bring about the state inspection program and the passage of the Purcell Act.

At the present time, the State inspection program (which applies only to the areas outside New York City) compares favorably with the Federal program and both cooperate in bringing about better conditions in the industry. The Purcell Act will, we believe, increase this cooperation and make the requirements of both programs almost identical.

There is a problem which those who are under the State inspection are faced with. Although Federally inspected plants are permitted to participate in bidding for meat products used by State agencies, New York State inspected plants are precluded from bidding on meat products needed for Federal agencies, such as the armed forces and government hospitals.

Since the Purcell Act would, if passed, bring about a review and approval of State programs before granting participation in Federal monies, it would seem only fair to grant to the States, whose programs were approved, the right to participate in bidding on Federal contracts for meat supplies. Such widening of the field of eligible bidders would, we believe, be beneficial to both the Federal government and the industries in States whose inspection programs are approved under the Purcell Act.

If you concur with these views, would you be good enough to attempt to have the Purcell Act amended to bring companies, which are under Federally approved State inspection, into the category of those which can bid on United States agency contracts.

I know the members of our organization will appreciate whatever help you can give in this matter.

Sincerely,

OWEN M. BEGLEY.

Mr. MONTOYA. Mr. President, this is an eminently acceptable conference report embodying an effective, fair and strong piece of legislation. It will operate in the public interest rather than to the public detriment. It is my belief that this bill, as reported, will operate in the most effective manner.

Our choices are quite clear. Above all, it is obvious that our consumers cannot and will not wait. The public interest requires this measure and the public safety demands it.

Not to act now would be against that public interest. Consumer protection is a matter we must address ourselves to without delay. The American consumer is organizing as never before. Consumer protection as a cause is looming ever larger on the national horizon.

Our educated citizenry are increasingly aware of the evils being perpetrated against them, and resent it. An aroused Congress acting affirmatively is what they expect and should have.

That ever-growing group of aroused and active consumers are hoping we will not disappoint them. They ask for a meat inspection act such as the one we now have before us. I for one do not believe they are asking for too much.

American consumers have the right to expect the finest, wholesome meat and meat products when they go to shop. We can guarantee this to them by voting affirmatively and swiftly for this conference report.

The time is past for quibbling and splitting of economic and social hairs. Let us act now in the finest tradition of protecting the public interest.

Mr. HOLLAND. I thank the Senator for his kind comments with reference to the Senator from Florida.

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

Mr. HOLLAND. I am happy to yield to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I am grateful to the Senator from Florida for permitting me to make a few brief comments about the wholesome Meat Act, the conference report on which we are about to adopt and send on its way to the President of the United States.

I am grateful to the Senator from Florida, moreover, for his skillful and seasoned leadership as chairman of the conference committee. It was a pleasure to work with him on this controversial, yet terribly important matter.

Mr. President, when Congress first addressed itself some 4 months ago to the question of the slaughtering and processing of meat in this country, it became clear that bad meat was good business. It was possible for both the unscrupulous and, regrettably, even those who were conscientious but under heavy competitive pressure, to escape the high standards of the Federal inspection system, and gain a virtually decisive competitive advantage over their federally inspected counterparts. Bad meat was driving good meat out of business.

As a result, approximately 2,000 plants in this country were under Federal inspection, and some 15,000 plants under nonexistent or poorly enforced State inspection. We saw a growing pattern of major packing houses establishing wholly owned intrastate subsidiaries in order to take advantage of this competitive situation.

Some 25 percent of all processed meat and 15 percent of all raw meat was in intrastate commerce. More than 10 million head of cattle were slaughtered, which together with processed meat totaled some 13 to 14 billion pounds of

meat outside of the Federal inspection system—enough to feed 50 million people.

What were the competitive advantages?

First, diseased and substandard meat could be received, slaughtered, and processed in intrastate plants.

Second, wholesome meat could be processed and slaughtered under unsanitary conditions, with all the cost savings that could be effected thereby.

Third, meat could be stuffed full of cheap additives such as water, cereals, *pig hides*, and the rest. Occasions have been reported in which 30 to 40 percent of a ham was in fact water, and the consumer was the loser.

Finally, these State plants could avoid the honest labeling requirements of Federal regulation.

That was the condition 4 months ago. This evening, we are about to pass an act which, in my opinion, constitutes one of the most remarkable victories for the American consumer in recent history. For in those 4 months, we have walked the long road from virtually nothing, to the point where we are passing a very strong bill. This bill has several fundamental features which will, within 2 and at the latest 3 years, assure that all meat slaughtered and processed for the consumption of Americans will be wholesome, free from undue additives, and sold in packages that will be required to clearly and honestly state the nature of the contents therein contained.

This was the Montoya amendment. To that we added a standard that State regulation must be at least equal to Federal regulation—no weasel words, no loopholes that would permit a standard less than that which fully accomplishes our objective.

Next, to avoid lawsuits, but more importantly to make certain that Federal inspectors had complete access to the information they needed to fulfill their responsibilities under the act, we clearly spelled out their right to go into State plants, inspect those plants, review relevant records, and take appropriate samples.

Next we required, under this legislation, detailed annual public reports to Congress. While this is not the time to report fully on the significance of that provision, it could well be the most important provision in the act. Because I am convinced now more than ever that an informed public is an irresistible political force in our country. Without information, they cannot demand their just rights before Congress or any other forum. If anything accounts for the miracle of the passage of this act, it is that within these 4 months, the American public has been fully advised of the condition of slaughtering and meat processing in this country. The basis for that information has been the public disclosure of detailed reports, not initially made public, but which have now been made public, of investigations conducted by the Department of Agriculture in 1962 and again in 1967.

In addition, we have deleted the exemption for the District of Columbia. We have imposed the same regulations upon foreign meat as upon domestic meat, and we have accepted an important provision which permits the Secretary of Agriculture to impose Federal regulation on an intrastate plant producing meat which endangers the public health.

In addition to this, we have incorporated many other fine features in the House measure as it came to us.

So in 4 months, we have gone from no bill to a bill which is a model of consumer protection legislation—a model, I might add, which shows due deference to our federal system, and shows an understanding of the practical problems of the industry.

Moreover, I think this shows something that is more clear today than it was some months ago, and that is that the consumer movement, if it understands the issue, is one of the most irresistible political forces in our Nation; and I hope we will not forget it.

I pay tribute to the communications media, which fearlessly and courageously reported the facts to the American public, particularly Nick Kotz of the Des Moines Register and Tribune. I commend those selfless private citizens who wrote courageously and creatively in this field. I would name Ralph Nader as one of those. I am proud, as a lawyer, that we have some people's lawyers, who seek no profit, but who, guided only by the motive of public service, are digging out the facts, and leading such unblemished lives that they can stand up as examples of the finest of our profession.

I am reminded, when I think of Ralph Nader, of that time many years ago when Louis Brandeis appeared in the famous New York-New Haven case, and the judge, surprised to see him there without an apparent client, asked him, "Whom do you represent?"

Brandeis replied, "Your Honor, I am the lawyer for the people."

We ought to have more lawyers who are lawyers for the people; and I commend Ralph Nader here in the strongest possible terms.

I commend the leadership from the executive branch. President Johnson provided genuine leadership, and we are witnessing new vitality and new strength in the office of his adviser on consumer affairs. That is an office that I think should have been created years ago. Betty Furness performed magnificently on this issue, as she has on so many others.

But none of this would have been possible without leadership here in Congress, and I would begin and end, in addition to mentioning such fine leadership in the House of Representatives as that of Representative SMITH and Representative FOLEY, by commending the person who, I think more than anyone else, is responsible for this measure—a person who has contributed selflessly and creatively to the cause of the American consumer. I refer, of course, to the distinguished Senator from New Mexico [Mr. MONTOYA].

We knew the Senator was a gifted lawyer. We knew he was a gifted legislator. But his courage and devotion to the public interest is without peer on the question of consumer protection or any other issue.

I commend the American Meat Institute, which I think regretted initially that this legislation had to be adopted, but which finally understood that the American consumer comes first. It then had the courage to stand up and shift its position and support us here.

I have always thought there is an identity of interest on the part of a consumer and an honest and ethical businessman.

I commend the American Meat Institute because, although its action was late, nevertheless the American Meat Institute stood up and did its duty as an example of responsible business leadership.

I would like to commend Mr. Gray, the president of Hormel Co., in my State, who I believe serves as chairman of the American Meat Institute, who spoke out early and effectively on behalf of this legislation.

I also strongly commend the effective and able support of organized labor—in particular, the Amalgamated Meatcutters and Butcher Workmen, and the United Packinghouse Workers, who worked long hours and provided able counsel to us.

In closing, I have a very rare document, a letter from a meatpacking company in favor of strong meat inspection. It is the only one I know of in existence.

I ask unanimous consent that this letter from Mr. Dudley Smith of the Elliott Packing Co., of Duluth, Minn., under date of November 13, 1967, be printed at this point in the RECORD.

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

ELLIOTT PACKING CO.,
*Duluth, Minn., November 13, 1967.*

Hon. WALTER MONDALE,
*Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR MONDALE: I want you to know that I support the position you have taken with respect to the Meat Inspection Bills. Although the industry, in general, has supported the Purcell Bill, it is my personal opinion that this bill will not be effective in taking care of the inspection problems that should be corrected. I think your bill will be a lot more effective than the Purcell Bill and I hope you can muster enough support to pass it.

In the event that your bill cannot be passed, I think the Purcell Bill, with the Montoya Amendment, is a big improvement over the original bill. However, I still think your bill is the one that the country needs.

Sincerely yours,

DUDLEY SMITH.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator for his statement about the Senator from Florida.

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

Mr. HOLLAND. Mr. President, I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I commend the distinguished chairman of the Senate conferees, the Senator from Florida [Mr. HOLLAND], who has once again demonstrated his abiding faith in the consumers of this Nation.

I give special credit to the distinguished Senator from New Mexico [Mr. MONTOYA], who, on the basis of his initiative and leadership, was largely responsible for the enactment of this fine and strong bill that we have before us.

I commend the distinguished Senator from Minnesota [Mr. MONDALE], who joined on a partnership basis with the Senator from New Mexico, so that together they were able to bring forth the legislative proposal which will be signed into law soon and will be of inestimable benefit to the American consumer and to the American meatpacker, as well.

I say all hail to the Montoya-Mondale bill. I commend them both for their initiative and courage in acting against pressures. I commend them for the leadership they have both shown in this most important and much needed and long overdue bill.

Mr. HOLLAND. Mr. President, I thank the distinguished majority leader.

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

Mr. HOLLAND. I yield to the Senator from New Mexico.

Mr. MONTOYA. Mr. President, I thank the majority leader for his fine, kind words. I thank my good friend, the Senator from Minnesota [Mr. MONDALE], for what he has said about my humble part in working together with other Members on this legislation.

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

Mr. HOLLAND. I yield to the distinguished Senator from Iowa, a valuable member of the conference and of the Senate Committee on Agriculture and Forestry, who made a distinct contribution to this particular act.

Mr. MILLER. Mr. President, I thank my colleague, the Senator from Florida.

I should like to say a few things about the action which has been taken.

First, I think it has been a very bright day for the American consumer when the American consumer realizes that the action taken on the bill was taken with the unanimous action of the Senate Committee on Agriculture and Forestry.

I think that in turn is attributable in great measure to the distinguished Senator from New Mexico who made painstaking efforts to come up with a workable and acceptable bill.

I thank my colleagues on the conference committee for indicating that they would stand firm with me with respect to my amendment relating to retail exemption certificates.

As the Senator from Florida has pointed out, we received a letter from the Department of Agriculture indicating that the Secretary would, if we continued his discretion, as my amendment provided, begin to phase out the retail exemption certificates. There are approximately 500 of these retail exemption certificate holders. And I would have to tell them that retention or deletion of my amendment would not make much difference in the long run.

It was only discretionary authority granted to the Secretary which was being continued by that amendment, and the Secretary has stated, as indicated in the letter which the Senator from Florida has had printed in the RECORD, that he is going to phase out these retail exemption certificates.

There has come to my attention some concern with respect to the portion of the bill added by the Senate, which reads:

> That, notwithstanding any other provision of this section, if the Secretary determines that any establishment within a State is producing adulterated meat or meat food products for distribution within such State which would clearly endanger the public health he shall notify the Governor of the State and the appropriate Advisory Committee provided by section 301 of the Act of such fact for effective action under State or local law. If the State does not take action to prevent such endangering of the public health within a reasonable time after such notice, as determined by the Secretary, in light of the risk to public health, the Secretary may forthwith designate any such establishment as subject to the provisions of titles I and IV of the Act, and thereupon the establishment and operator thereof shall be subject to such provisions as though engaged in commerce until such time as the Secretary determines that such State has developed and will enforce requirements at least equal to those imposed under title I and title IV of this Act.

I do not know where this has come from, but there has been a misimpression conveyed that the act provides for the taking over by the Secretary of Agriculture of plants. And the misapprehension or rumor that has been spread never points out that the language makes the determination of the Secretary dependent upon clear evidence that the determination by the Secretary is not to be superficial.

I am sure that all of us intend that the determination be based upon clear evidence, and that there is no intention to have the Secretary of Agriculture willy-nilly start to close down or take over plants. The language makes it very clear that he is not to do that.

Furthermore, while concern has been expressed that the bill does not provide for any judicial review, nevertheless the United States Code, title V, section 702—this is the Administrative Procedure Act updated—provides:

> A person suffering legal wrong because of agency action, or adversely affected or aggrieved by agency action within the meaning of a relevant statute, is entitled to judicial review thereof.

Section 704 provides as follows:

> Agency action made reviewable by statute and final agency action for which there is no other adequate remedy in a court are subject to judicial review.

I must say that I believe adequate protection is afforded persons who may have expressed concern about the powers granted to the Secretary of Agriculture.

I think we all agree that we have now written a tight, workable bill. I suggest, however, that the 2 years which we have allowed the States in order to bring their standards and enforcement procedures up to a proper level will be needed to meet not only money problems, but manpower problems, as well. It will take time to recruit and to train inspectors to implement the law—not only inspectors for the States, but also inspectors for the Federal Government.

The Senator from Florida indicated yesterday a policy which I am sure the Senate and the House will go along with, namely, of seeing to it that adequate funds are appropriated for this purpose—at least, so far as the Federal level is concerned.

I also suggest that while we have emphasized in the bill that our first concern for the American consumer is wholesomeness, cleanliness, and sanitation, the American consumer also is entitled to efficiently and economically produced meat and meat products. This is something to which I hope the Secretary of Agriculture will pay very careful attention, in addition to enforcing the standards set forth in the act.

I would hope that because of the far-reaching scope of the act and the essentiality that there be good industry cooperation in implementing the act, the Secretary will see fit to appoint an advisory committee consisting of State officials and representatives of the industry who can advise and consult with respect to the regulations and the implementation. Unless there is cooperation by the Federal, State, and local governments and the industry, the objectives of the act will not be attained—at least, they will not be attained as soon as they might otherwise be attained.

Finally, Mr. President, I have been much concerned in recent years over the increasing amount of meat imports. I believe that the committee and especially the Senator from New Mexico are to be commended for seeing that the American consumer will receive protection from meat imports from other countries equal to that of our own domestically produced meat. It is not good for domestic producers, who are paying the taxes, to be undercut by foreign competition, which does not have to meet equal standards and equal enforcement of those standards. This act is very tough on that point.

So I believe that we have done a good job all around; and I wish to thank my colleague, the Senator from Florida, for his cooperation and for the opportunity he has given me to say a few words on this matter.

Mr. HOLLAND. I thank the Senator from Iowa for his kind comment with reference to the Senator from Florida and other members of the committee.

I am glad to yield to the distinguished Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I take the floor as the Senate approaches final action on a bill which will be marked as one of the greatest forward steps since the passage of the original Pure Food and Drug Act, to voice my deep appreciation to the distinguished senior Senator from Florida for his excellent leadership, for his great ability, and for the vast understanding he has shown in this bill. He has done so on dozens of bills brought to the Senate and floor managed to successful passage.

It seems we are enacting today something that is more important than "sterling" on our silver as a hallmark of quality. Because of the great efforts of the senior Senator from Florida—joined by the junior Senator from New Mexico [Mr. MONTOYA], the junior Senator from Minnesota [Mr. MONDALE], and the junior Senator from Iowa [Mr. MILLER]—the passage of this measure will go down in history as a red-letter day, indicating the Senate's concern about the health of the people of America, the great cattle industry of America, and the housewives of America, who are today more conscious

than ever of the guarantee of purity, sanitation, and quality of the meat they buy in the grocery store. They are used to buying brand names for their quality, but heretofore they have had to guess in the meat market, unless they bought from large stores, what quality the meat would be and under what conditions—whether sanitary or unsanitary—the meat was processed.

Today we are writing a Magna Carta for the housewives to know what they buy in their corner grocery store. We are writing a bill that will be hailed as a great forward step. I am impressed by the fact that while there are only 2,000 interstate plants in the country, which slaughter 75 percent of the meat and process 85 percent, we have still left in the unknown quantity—the $x$ in the equation—the 10 million cattle that are slaughtered each year by intrastate packers and the 50 million people who purchase this meat.

It is a mark of great credit that we are meeting this vast need. In closing the loophole in the sanitation of State-licensed and State-inspected plants we assure that States' rights will prevail up to standards which people have the right to expect when buying a pound of meat, a roast beef, a ham, a pork chop or a lamb chop in their grocery store, or when they buy a steak or other food in a restaurant. They will know that this meat, in 99 percent of the cases, will have been slaughtered under sanitary conditions and was not subject to terrible unsanitary conditions—broken-down toilets, overflowing on the floor; hair being ground up in hamburger or sausage; diseased cows slaughtered, with the diseased portion trimmed out and the remainder sent to the market unidentified as to quality, and unidentified, in more important measure, as to the lack of quality.

So I believe this is a great forward step. Considering the cost of our Federal-State meat inspection of $47 million, this will cost us only $4.5 million, as the proper State aid is given. This is a partnership. The 3-year period that the conferees have given—I believe wisely—to the States to meet these Federal standards will bring about a most-needed reform.

I am glad that the American Meat Association has endorsed this bill, because this group has been foremost in guaranteeing the housewives, the consumers, an opportunity to identify the clean from the unclean, the pure from the impure, the noncontaminated from the contaminated.

The Farmers' Union, which comprises most of the farmers within my State, has endorsed this measure, has it not?

Mr. MONTOYA. That is correct.

Mr. MONRONEY. Also, the National Farmers' Association. The cattle of Oklahoma will rank almost with wheat in income-producing operations.

I do not believe any cattlemen's organization—although there are many and they are most alert to the effects of any legislation upon the cattle industry—has appeared to oppose this bill. Did any of them appear?

Mr. MONTOYA. No, they did not. There was a question as to whether they would support the Purcell bill or the Montoya bill, but eventually they all supported the Montoya bill.

Mr. MONRONEY. I was happy to be a cosponsor of the Montoya bill, and this is one of the reasons why I choose to speak. The bill has been improved by the committee and by the able generalship of the senior Senator from Florida, so that the measure passed the Senate by a vote of 89 to 2. The entire Republican membership of the Senate voted for it unanimously, and only two of the Democrats voted against it. This is a record-breaking endorsement.

This is a recordbreaking endorsement. The bill comes back from conference in even better shape than when passed by the overwhelming Senate vote.

This near unanimous decision of the Senate shows there will be many benefits derived. This measure will be beneficial not only to the small, independent packers but it will be of assistance with those who are carriers.

Those who are greedy, who maintain unsanitary conditions, and who process this meat under conditions which are unhealthy to the consumer are only a very minor percentage of the small, independent packers who will be affected.

This bill will benefit the cattle industry because the price stockmen will receive for meat from large intrastate sales will be greater. There will be better processed meat for the consumers of this country.

Does the senior Senator from Florida know of any violation of States' rights in giving 50 percent of the cost of improving and paying for State inspection? Is there a violation of the concept of States' rights? The senior Senator from Florida has been one of the great warriors for States rights throughout his long and distinguished career.

Mr. HOLLAND. Mr. President, if the Senator will yield on that point, I am still a scrapper for States rights and I always will be.

Unfortunately, there are 21 States which had only voluntary inspection of meats, or no system at all. The 29 States which acted are not to blame for the situation that brought about the necessity for this act.

I must say—as to the time given in the bill to the States which have not lived up to their responsibility—because with States rights this is State responsibility—3 years should permit every one of them to come up with a good program. I hope they do because I would much prefer to see States live up to their responsibilities in this matter. If they do not and when they do not there is only one power that can act effectively, and that is the National Government. And that would be done under this act.

Mr. MONRONEY. I thank the distinguished Senator. The State of Oklahoma has just begun. We have moved and we now have a State inspection system which is in its infancy. We have not had money to employ necessary State inspectors as yet to run the program. This bill will help State inspection and allow tightening of standards for packers and cattlemen. This measure gives the small businessman a distinct advantage he otherwise would not have had.

Mr. HOLLAND. I thank the Senator for his eloquent remarks. I rarely receive such praise. I want to be mighty enough to say that I do not merit it. The real performance here has been given by the Senator from New Mexico [Mr. MONTOYA] and the Senator from Minnesota [Mr. MONDALE]. The Senator from Florida simply wielded the gavel in the conference and had a most agreeable experience in that there were no vital differences and we had no trouble reporting the conference bill. It was a pleasure to provide chairmanship for the conference. That was the entire function the Senator from Florida performed except he did approve the bill, supported it in committee and on the floor, and was glad to be the chairman of such a conference.

Mr. MONRONEY. I thank the Senator. I am very proud to have been a cosponsor with the Senator from New Mexico [Mr. MONTOYA] on this far-reaching legislation which the distinguished Senator from Florida has improved by the extra year. I am pleased this matter of paramount importance on high standards for meat in this country will become law.

I congratulate all who have been associated with the matter. Those who are in the cattle industry or processing industries will be the greatest beneficiaries. I intend to press the Small Business Administration to see that loans are made available to small, independent packers so they may bring their plants up to standards for sanitation and improve facilities. I know of no more important reason for which loans could be made. Oklahoma does want to live up to the standards and now it will better be able to do so.

I thank the Senator for yielding. I apologize for the time I have taken and the lateness of the hour, but before final action I wanted answers to these questions.

Mr. HOLLAND. I thank the Senator.

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

Mr. HOLLAND. I am glad to yield.

Mr. MORSE. Mr. President, in the interest of saving time, although I have a few comments to make, different from those of the Senator from Oklahoma, I wish to associate myself with every word spoken by the Senator from Oklahoma. I am proud to be one of the cosponsors of the Montoya bill. I wish to join in paying my very highest respects and deep gratitude to the senior Senator from Florida [Mr. HOLLAND], the Senator from New Mexico [Mr. MONTOYA], the Senator from Minnesota [Mr. MONDALE], the Senator from Iowa [Mr. MILLER], and others who have worked so hard to bring to us this conference report at this time.

Because of my years of great interest in the livestock industry I am a witness to some qualifications in regard to the need for this bill. I join the Senator from Minnesota [Mr. MONDALE] in his commendations of Mr. Ralph Nader as the people's counsel in this case, for I think he has been of great assistance to our committee and he has been of great assistance to the Congress in focusing attention upon the public interest that is involved in necessitating the passage of this legislation.

Mr. President, the failure on the part of some of the States to clean their slaughterhouses has done great damage to the meat producing industry in this country. I do not need to tell Senators how true that is because they know in recent weeks as they have sat around the dining tables of their friends—although I have not attended very many dinners since this bill became a matter of public interest—there was not some time during the evening when there was not a discussion of the matter. As Senators know, the most powerful lobby in the country is the housewife. They know what housewives have been saying and are still saying about the shock so many of them suffered when the information got out that they could not be sure of the quality of the meat they have been buying. I heard many of them saying, "I will never buy another pound of meat without a U.S. inspection stamp on it."

I think that no one is to blame for that but the so-called intrastate plants. They have not carried out their obligation to the public. I want to say in one sense, speaking for the moment as a lawyer from the standpoint of legal technicalities and rules, but in a broader sense no one has any State right to sell unclean, unsanitary, and diseased meat, but it happens.

Mr. President, my own eyes have seen in various parts of the country animals slaughtered that should have been killed and buried. I know of instances in which cattle were offered at a sales lot, in which meat was subsequently to go to Federal inspection was offered, and the sales company would not even put it on the block. What happened to it? Those animals were put into a truck and sent to an intrastate plant. They were slaughtered and the meat got on the dining tables of people in that area. If there ever was a case of walking out on a moral obligation on the part of those businessmen responsible for operating that kind of plant, Mr. President, you name it. I think that is about as bad as it can get.

Thus, I do not recognize the intrastate argument which those on the committee have had to deal with for a while. They had some people who made technical and literal legal arguments on its behalf. But I want to say that when I go into State X, Y, or Z, there is no intrastate right within that State to serve meat in a hotel or on any other table that does not meet Federal standards.

Therefore, I think we should face the fact—as was pointed out by the clear implication in what the Senator from Florida [Mr. HOLLAND] said a moment ago—that the Federal Government does have the right to step in and protect the health of the American people.

We are living in a mobile society. The early concept of so-called intrastate rights developed in our legal system when there was not much mobility. But, serving meat in a hotel or a home to a visitor from outside the State, in my judgment, really washes off the legal blackboard, so to speak, the claim that they should be protected in doing that on the basis of a States rights argument.

The Senator from Iowa [Mr. MILLER] made comment about imported meat. There is a problem there, too. At the present time, there is prevailing in England probably the worst, contagious bovine epidemic in the history of the British Isles. I do not know what the facts are. I do know the allegations, and on the basis of those allegations, the British Government has acted.

The allegation is that some diseased meat came in through importation. As a result, England has cut off the importation of meat from a good many parts of the world.

I understand it is also true that meat from carcasses of foot and mouth diseased animals is a threat to human health.

Now I want to talk for a moment about the economic consequences of what would happen if we were subjected to the kind of loss to which England is now being subjected, if the allegation is true that diseased meat from another country was shipped into England which caused the hoof and mouth epidemic now sweeping the British Isles.

It is not only the economic aspect of the problem, but also the health aspect that must be considered. We have been talking about cattle, but there is also the shocking failure to carry out the moral obligation in some intrastate plants, where I know of instances in which diseased chickens coming down the track were rejected by U.S. inspectors, were taken out of some of the small killing plants and moved not so many miles away into an intrastate plant and processed.

There is no doubt that housewives have every reason to express the fears they have to us around the dining tables of our friends, in whose homes we have been having dinner in recent weeks. The situation must be cleaned up.

I want to highly commend the Senators I have already mentioned, but I also wish to commend the administration for the support it has given the program. I commend also Congress as a whole for what the Senator from Oklahoma said in effect was the passage of legislation on this subject which could very well be compared to the original pure food and drug law.

Mr. HART. Mr. President, I realize that the hour is late and that nothing I could say would be other than repetition. But, being present in he Chamber as the conference report is about to be adopted, I would feel uncomfortable if I did not rise to thank most especially the Senator from Minnesota [Mr. MONDALE] and the Senator from New Mexico [Mr. MONTOYA] for their great interest in this subject.

The consumer is America's most powerful lobby. But, it needs a leader. It is a power group which can be easily diverted, easily split, and easily confused. It needs a MONTOYA and a MONDALE—yes, it also needs a Ralph Nader.

As a cosponsor of the bill, I am delighted to say, on the eve of its enactment, that I hope next we will turn our attention to the fish bill which I have introduced and which is before the commerce committee. I am no longer required to eat fish once a week, but I happen to enjoy it.

I still believe that fish and fish products are not adequately supervised.

Mr. MONTOYA. Mr. President, I want to thank the Senator from Oregon for his very kind words, and also to express my appreciation to the Senator from Oklahoma, who had to leave, and also to the Senator from Michigan—the three cosponsors of the Montoya bill. Certainly, their names mean a lot on legislation in the Senate. They have been most helpful. The Senator from Oklahoma was in constant communication with me as we deliberated in committee and outside committee on the bill.

The Senator from Oregon has been a stanch defender of the consumer. I have known of his great reputation in this respect since I came to Congress.

Equally, the Senator from Michigan has good credentials on that score. It is certainly a pleasure to have all three as cosponsors of the bill.

Mr. CARLSON. Mr. President, as we consider the conference report, I want to stress the importance of meatpacking in my own State of Kansas. The members of the conference are entitled to much credit for their effort in improving meat inspection.

Meatpacking, already one of the leading industries in Kansas, will become even more important to the State's economy in the future.

Three factors which point to an even larger meatpacking industry in the State are first, greater importance of livestock; second, the trend toward slaughtering nearer the source of supply; and, third, continued emphasis on development of off-farm businesses.

Later figures are not available, but in 1963—the year of the last census of manufacturers—meatpacking was the third most important industry in the State, as measured by the value added by manufacturing. Aircraft manufacturing and petroleum refining ranked first and second, respectively.

Dollarwise, the importance of meatpacking is indicated by these figures: $516 million worth of meat produced and $440 million paid for raw materials. Total payroll in 1963 was $54.2 million. The industry employed 8,070 employes, or 7.1 percent of all manufacturing work force in the State and contributed 5.2 percent of the State's total value added by manufacturing.

Prior to the early 1950's, slaughter exceeded livestock production in Kansas. This trend has been reversed since then, particularly in slaughter of cattle and calves. Increased livestock production has been the big reason for this shift.

Figures on per capita production and consumption bear out the fact that Kansas is a net exporter of processed meat. In 1965 per capita production in Kansas was: Beef, 381 pounds; pork, 1,308 pounds; lamb and mutton, 8.2 pounds. Data are not regularly published on per capita consumption by State.

A recent study, however, reported Kansas per capita beef consumption at 132 pounds, considerably higher than U.S. average estimated at 106 pounds for 1967. Average 1965 per capita consump-

tion for the United States was 58.7 pounds of pork and 3.7 pounds of lamb and mutton.

Assuming these figures are representative of consumption in the State, then plants in Kansas slaughtered and processed more than twice as much pork, lamb, and mutton as was consumed in the State.

Studies show an excellent basis for increasing livestock production in the State. Kansas-grown feed has generally exceeded livestock requirements. With even greater production anticipated in the future, adequate feed will be available to substantially increase swine and cattle feeding. Kansas packers, already in a good competitive position to expand beef and pork shipments to the Western and Southwestern States, will see their position improve as the population increases in these areas.

Mr. HOLLAND. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

Mr. HOLLAND. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. MONTOYA. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

## EXTENSION OF CERTAIN NAVAL LOANS AND A NEW LOAN

Mr. STENNIS. Mr. President, I ask that the Chair lay before the Senate a message from the House on H.R. 6167.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 6167) to authorize the extension of certain naval vessel loans now in existence and a new loan, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. STENNIS. I move that the Senate insist upon its amendments and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mrs. SMITH, and Mr. THURMOND conferees on the part of the Senate.

## EXPORTING LOGS TO JAPAN FROM THE PACIFIC NORTHWEST

Mr. MORSE. Mr. President, one other matter on which I shall detain the Senate for only a very short time.

I have sent to the Press Gallery today a statement which bears on the subject matter of the exporting of logs to Japan.

It so happens that the Senator from Washington [Mr. MAGNUSON] and I have been working hard in recent weeks on the very serious problem which has developed in the Pacific Northwest as a result of the exportation of large quantities of logs to Japan.

This exportation has resulted, in effect, in the exportation of thousands of American jobs to Japan. These logs are raw materials out of which lumber products are made. There is no doubt that the exportation of these logs has provided some new jobs for our longshoremen, seamen, and stevedoring companies and the many people who work in ports.

I want to make it clear that we seek to work out a program with the State Department, Department of the Interior, and Department of Agriculture, in negotiations that are about to take place with representatives from Japan, that will strike a fair balance in respect to the economic interests of all segments of the economy of the Pacific Northwest.

I want to say, to the great credit of the stevedoring companies and longshore unions and other groups in the Pacific Northwest whose livelihood comes from the operation of the ports, that they recognize the need for striking that balance.

They are not advocating unchecked, unrestricted shipment of logs in whatever quantities the Japanese want to buy them. They have been cooperating with us in trying to work out a program with the Government that will give protection to the lumber industry of the Pacific Northwest.

The Forest Service and Bureau of Land Management assured members of Congress yesterday first, that they understand the urgency of the log export situation; second, that they recognize they have a responsibility to protect local communities dependent upon their timber; and, third, that they can act under existing law to carry out that responsibility.

I deeply appreciate the complete cooperation among Senator HATFIELD, Representatives GREEN, WYATT, DELLENBACH, and ULLMAN, as we, as a united Oregon delegation, have pressed for a Government program that would give protection to the lumber economy of our State.

We have said for a long time that we felt the U.S. Forest Service and the Bureau of Land Management had authority within existing law to issue whatever rules and regulations and administrative orders were necessary to give to the lumber communities of our State the protection in Federal timber sales to which they are entitled.

To the great credit of the representatives of the two agencies, in the conference held with us yesterday afternoon, they recognized that they have authority to act in a manner that will carry out their responsibility.

That is real progress, because until yesterday, they had tended to point to all the policing troubles that would be involved in export limitations on public timber sales, rather than talking about the powers they had to curb the exports.

Our next problem will come tomorrow when members of the Oregon and Washington delegations meet with the State Department negotiators who will talk to Japanese negotiators in Washington, D.C., starting December 11. The industry has not recommended a strong position for us to take in the talks, other than to impress Japan with the distress of the industry. But it is meaningless to complain to Japan and wait for Japan to suggest a remedy.

Therefore, I shall urge the State Department not only to explain the problem, but specifically to seek agreement with Japan that the Japanese Government will take more U.S. lumber products and fewer logs.

One of the unfortunate things about this controversy is that Japan really has a cartel operating in this field. Japan has restrictions on the importation of finished lumber in Japan. They really have a two-market system over there. An American producer of lumber must sell to the cartel. No matter what the U.S. price is the cartel markets it at the same price it fixes for its own lumber. There is no price competition from U.S. imports into Japan.

If Japan wants to act in good faith with us for an agreement that will involve the shipment of a certain quantity of logs, she ought to be willing to enter into, as part of that agreement, an understanding that she will take a much larger quantity of finished lumber into Japan.

It has been my position from the very beginning that the high prices she bids for our logs are possible only because she shelters her domestic market from our competition in lumber products. Our first objective should be to break down this Japanese trade barrier, and there seems to be much support for that position on the part now of the Federal timber agencies.

A larger supply of lumber should bring down their own prices enough to bring down what they can bid on our logs. But in any case, we should seek to export the lumber rather than the logs.

I want to thank the spokesmen for the Forest Service and the Department of the Interior for the understanding of this problem that they made clear to us yesterday. They made us aware of their determination to be of assistance to the people of the Pacific Northwest in the protection of their economic interests in the field of the lumber operations of the Pacific Northwest.

I feel that with a specific proposal of this kind, we will be more likely to get results. We are in a position now to show that the problem is so serious that, if Japan does not agree to that kind of shift in her purchases, the U.S. Government will act to protect its timber resource.

Therefore, if we cannot get some relief in regard to the great damage that is being done to the economy of the Pacific Northwest because of the purchasing raids of Government logs—that is, logs taken off the Federal forests—and an agreement between the U.S. State Department and the Government of Japan, the senior Senator from Oregon will convene, not later than January 15, his subcommittee of the Small Business Committee of the U.S. Senate, at which hearings representatives of the U.S. Government will be requested to appear to explain their policies and subject themselves to the examination of the committee. On the basis of the record made, I will then recommend—if it becomes necessary, which I hope it will not—necessary legislation to give to the people of the Pacific Northwest the protection which they are entitled to receive from

their Government in respect to the timber resources of the Pacific Northwest.

The State Department will be invited first, because they have the main job of seeking a voluntary arrangement with Japan of the kind I have described. If that falls through, then we have no choice but to deal directly with the problem through legislation long on the books designed to assure a timber supply to domestic mills, and more legislation, if necessary.

I know the administration is fearful of "making waves" in our relations with Japan. It is anxious to maintain at least lipservice from Japan for the Vietnam war. But here is an industry already crippled from the war. If we really are doing Japan such a favor by fighting in Vietnam, we should be insisting that she refrain from economic policies that further damage an industry already weakened by the economic impact of the war.

Japan is already profiteering from the expenditures we make there to supply our troops. Here is one small place where Japan could make an accommodation. She could buy our lumber instead of our logs, and the State Department should press her to do so.

## RECESS UNTIL 10 A.M. TOMORROW

Mr. MORSE. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 39 minutes p.m.) the Senate took a recess until tomorrow, Thursday, December 7, 1967, at 10 a.m.

## NOMINATION

Executive nomination received by the Senate December 6, 1967:

IN THE AIR FORCE

Lt. Gen. William W. Momyer, [redacted] (major general, Regular Air Force), U.S. Air Force to be assigned to positions of importance and responsibility designated by the President in the grade of general, under the provisions of section 8066, title 10 of the United States Code.

## CONFIRMATION

Executive nomination confirmed by the Senate December 6, 1967:

FOREIGN CLAIMS SETTLEMENT COMMISSION

LaVern R. Dilweg, of Wisconsin, to be a member of the Foreign Claims Settlement Commission of the United States for the term of 3 years from October 22, 1967.

# EXTENSIONS OF REMARKS

## Support for Concurrent Resolution

EXTENSION OF REMARKS
OF
### HON. ROBERT N. C. NIX
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
*Wednesday, December 6, 1967*

Mr. NIX. Mr. Speaker, the case for the preservation of the nation of Israel is based on the proposition that Israel has existed as a nation for 20 years, and for all of that time, including the present time, its Arab neighbors have had a policy of extermination against Israel. This means that there can never be a meaningful dialog in the Middle East leading to peace until the Arab nations recognize the right of Israel to exist.

No man can compromise his right to live and remain fully a man, and the same is true of nations. A mood of savage belligerency has resulted in three wars.

What is all of this to us? The Soviet Union has successfully fished in the troubled waters of the Middle East and has established its navy as a Mediterranean power through this last conflict, even though its agents, the Arab nations, have suffered a third disaster. The Soviets have resupplied the Arabs with a quantity of arms equal to the loss of arms the Arabs suffered in the desert war of 1967. They are taking aim at us through Israel. The Arabs and the Israelis need peace, but the Soviets want war and it may well be that we will have war. Because of the game that the Communists are playing in the Middle East, it is apparent that a third world war based on miscalculation by the Soviets and their Arab satellites is a serious possibility.

Does anyone in this body believe that if the Egyptians and Syrians had won the war of June 1967, that the Middle East would not be one vast Soviet satellite? The result has been a happy one because Israel was victorious. Since our need, the needs of the Arab poor, and the hope of Israel is peace, it seems to me that it is necessary to prevent the miscalculation by the Soviets and their agents that may lead to world war III. I believe the President of the United States should declare unequivocally that the United States will preserve Israel behind her own borders. The first step toward peace can then be taken, and that is the admission by the Arab States that Israel has the right to exist as a nation. The Arabs may find it expedient to do so, if they know that there is no hope of destroying Israel. I believe, therefore, that the Congress of the United States should go on record with a request that we make our position clear. We are already on the side of Israel in this matter. It only remains for us to make it clear. It is my hope that the House will support my position by passing this resolution.



## President Johnson Brings Government to the People

EXTENSION OF REMARKS
OF
### HON. SAMUEL N. FRIEDEL
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
*Wednesday, December 6, 1967*

Mr. FRIEDEL. Mr. Speaker, President Johnson's effort, launched 2 years ago, to bring the Government to the people has paid another dividend with the announcement that the experimental one-stop Federal information centers in Atlanta and Kansas City will soon open in five other American cities.

These information centers offer improved service to citizens doing business with the Federal Government—at little or no additional cost to the Government—by making it possible for the public to come to one place for complete information about all Federal services. The pioneering experimental centers have helped over 5,000 citizens a month promptly secure the services they needed.

At the same time, President Johnson has seen to it that the American public benefits from expanded Federal office hours, simplified forms, and publication of information in foreign languages to help non-English speaking Americans learn about their Government's services.

A democracy is only as strong as its people's trust in their government. By bringing the streamlined services of the Federal Government to the hometowns of millions of Americans the Johnson administration has rewarded this sacred trust.

The Johnson administration has put democracy into action for a grateful people.

## Hon. Foy D. Kohler

EXTENSION OF REMARKS
OF
### HON. DANTE B. FASCELL
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
*Wednesday, December 6, 1967*

Mr. FASCELL. Mr. Speaker, it is with great regret that I note the resignation of the Honorable Foy D. Kohler as Deputy Under Secretary of State for Political Affairs. I must admit, however, that I am delighted that he has made the decision to come to Miami as a full professor at the University of Miami's Center for Advanced International Studies.

Secretary Kohler has served as Under Secretary for just over a year. In this capacity he has worked closely with the Department of Defense and the Central Intelligence Agency. He has been particularly interested in the impact of science upon foreign policy, and this, together with his expertise in the field of United States-Soviet relations led him to the problem of the United States-Soviet nuclear missile race.

His distinguished career as a State Department official includes service in the demanding post as Ambassador to Moscow. His service there spanned the 1962 Cuban missile crisis.