By Mr. LONG of Maryland:
H.R. 7604. A bill for the relief of Dr. Prinya Tipmongkol; to the Committee on the Judiciary.

By Mr. MEEDS:
H.R. 7605. A bill for the relief of Miss Margaret Gale; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:
H.R. 7606. A bill for the relief of George Koutsovitis; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 21, 1967

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

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

Our Father God, new every morning is the love our waking and uprising prove. Our fathers trusted in Thee and were not confounded—in Thee we trust. In Thee is our sure confidence that the way of the Republic is down no fatal slope but up to freer sun and air. We thank Thee for friendship and fellowship, for the joy of service, and the challenge of great causes.

In this day of destiny for us, and for the world, make us worthy of our high calling as keepers of the sacred flame.

Guide the thoughts and aspirations of Thy servants here, that in the deliberations of this day they may ordain for the governance of our Nation only such things as shall please Thee, to the glory of Thy name and the safety, honor, and welfare of our people.

In the midst of all that saddens and perplexes in this difficult, yet splendid day, give us an inner radiance, not knowing that our faces shine, but humbly glad that in a world that lieth in darkness we are the children of the light.

In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 20, 1967, was dispensed with.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT (H. DOC. NO. 89)

Under authority of the order of the Senate of March 16, 1967, the Secretary of the Senate, on March 17, 1967, received two messages from the President of the United States.

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States on the Communications Satellite Act. Without objection, the message will be printed in the RECORD, without being read, and appropriately referred.

The message was referred to the Committee on Aeronautical and Space Sciences, as follows:

To the Congress of the United States:

Accomplishments of the past year under the Communications Satellite Act of 1962 have brought mankind to the threshold of a full-time global communications service to which all nations of the world may have equal access, from which all nations of the world may derive their share of the benefits.

Our space technology is opening new doorways to world peace. Within the grasp of the world's peoples is the potential for completely new, heretofore unimagined ways of peaceful cooperation for expanding world trade, for enhancing educational opportunities, for uplifting the spirit and enriching the lives of people everywhere.

Fifty-five nations of the world have joined the Intelsat consortium and pledged their collective efforts toward establishing a single, global communications system which can advance the social, political, cultural, and economic interests of all.

Our Nation has stated in the past and it reaffirms its policy of making available as promptly as possible the vast benefits of this new technology to its own people and to the people of all nations.

This policy is deeply rooted in the belief that nations can come closer together and world peace can be obtained if all the peoples of the world are given the opportunity for understanding the interests, the problems, the cultures, and the aspirations of one another.

We will continue in full partnership with our international neighbors to seek an environment in which all nations—in particular the developing nations of the world—can obtain high-quality communications with all others.

There has been consistent effort and effective progress at all levels of our Federal agencies, and of our committees in Congress on behalf of achieving the aims of the Communications Satellite Act. Under section 404(a) of the act, I am transmitting to Congress a report of this progress.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *March 17, 1967.*

THE QUALITY OF AMERICAN GOVERNMENT (H. DOC. NO. 90)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, concerning the quality of American government. Without objection, the message will be printed in the RECORD, without being read, and will be appropriately referred.

The message from the President was referred to the Committee on Government Operations, as follows:

To the Congress of the United States:

THE BACKGROUND

History will say this of America, that it established a community of freedom and order, preserved and perfected the concept of democracy, and enriched the lives of its citizens, all under a rule of law.

The law is our instrument for developing our society along that vision of government which was the dream of our fathers and is the hope of our sons.

It is only part of the total instrument, however. The rest of that instrument is the institutional machinery which enables law to work in response to the will of the Congress and the people. It is a condition of any law that its effectiveness must be judged by its administration.

The machinery of our Government has served us well. It has been the vehicle of the greatest progress and prosperity any nation has ever achieved.

But this record should give us no cause for complacency. For any realistic review today reveals that there are substantial improvements to be made.

Further reorganization of the executive branch would make possible more effective government;

Administration of programs which are the joint responsibility of Federal, State, and local governments should be strengthened;

At every level of government, steps must be taken to assure a steady flow of qualified, and trained managers, and administrators for the years ahead;

We must pursue our efforts to expand the modern techniques which already are at work to reduce costs and improve the efficiency of government.

GOVERNMENT REORGANIZATION

Government's relative simplicity did not demand many major reforms in administrative machinery until this century, with the great changes it brought to our society. Then Presidents beginning with Theodore Roosevelt began finding and reporting to the Congress obsolescence which hampered the efficient execution of the Nation's policies.

In 1937, Franklin Roosevelt and the 75th Congress were still harnessing the resources of Government to continue the rout of the great depression which had threatened to overwhelm the country. President Roosevelt submitted to the Congress a recommendation for reorganization legislation with these words:

A government without good management is a house builded on sand.

Little more than a decade later, under President Truman's administration, a distinguished Commission headed by former President Herbert Hoover looked deeply into the need for reorganization and sounded the same warning:

The highest aims and ideals of democracy can be thwarted through excessive administrative costs and through waste, disunity, irresponsibility, and other byproducts of inefficient government.

Since those words were spoken, the machinery of American Government has undergone many changes.

Two major ones have been accomplished in this administration:

In 1965, the 89th Congress established the Department of Housing and Urban Development, which brought the hope of renewed life for our cities.

In 1966, the same Congress provided the mechanism for straightening out our transportation lifeline by establishing the Department of Transportation.

In addition, in the same 2-year period we have completed 10 additional reorganizations to consolidate programs and strengthen functions. I have submitted two new reorganization plans so far this year.

We have not reached the end of the reorganizations which are required if we are to adapt our Government structure to the changes which have been taking

place in our national life. Nor will we reach it soon.

Having undertaken major reorganizations in the fields of housing and community development, transportation, and water pollution, we must now carefully consider the question of how our Government can better be organized to achieve its major economic objectives.

In my state of the Union address, and later in my budget and economic messages to the Congress, I proposed the creation of a new Department of Business and Labor.

For 50 years, beginning in 1903, Labor and Commerce existed jointly as the ninth Cabinet office in the U.S. Government.

Then in 1913, President William Howard Taft, on his last day in office, signed the act which made them separate departments. The legislation which accomplished this was enacted in response to a growing belief that workers would be benefited by a voice distinctly their own in the highest councils of Government. Woodrow Wilson, the incoming President, expressed concisely the public's understanding of the action that had been taken.

The Department of Labor—

He said—

was created in the interest of the wage earners of the United States.

The concept of two departments representing the separate and, sometimes diverse, voices of business and labor in the Government family fitted the needs of the America of more than a half century ago, and in diminishing degree that of the decades which followed.

The years with their changing conditions brought an increasing alteration of that concept. In the America which exists today, the concept has, I believe, lost much of its force.

Labor unions are no longer small and weak, struggling to achieve their legitimate aims. More than 18 million Americans are today members of organized labor groups.

Business is no longer principally confined to local firms operating in local markets. The complex mix of regional, national, and international markets involves the interests of all industries.

In a growing range of Federal programs—particularly those which relate to manpower training, regional and area economic development, and international trade—business and labor have a common interest and a vast potential for cooperative action.

Except for their names, the Departments of Commerce and Labor are not the same departments as those which existed in the past. Both were once almost exclusively involved with statistical and information programs and regulatory activity.

Today a major part of the efforts of the Department of Commerce is directed toward economic development and the promotion of international trade.

Today a major part of the efforts of the Department of Labor is directed toward the training and development of manpower.

Conversely, there are many activities directly concerning industry and labor which are not in either department.

My proposal for a new department was designed not merely to merge the existing Departments of Commerce and Labor.

It envisioned the establishment of a single institution to unify the management of Government programs which affect the economic health of the Nation.

Among its other functions it would be the Federal agency responsible for manpower training and regional economic development; the promotion of international trade; labor-management relations; the principal collection and analysis of economic data; technological and science services; and a wide range of other services to both industry and labor.

An important further consideration is that the new Department would add a strong voice to the formulation of economic policy in government and would be the chief instrument for carrying out national policies affecting industry and labor. Its Secretary would be one of the primary Presidential advisers on matters affecting the entire range of national economic problems.

Finally, its unified system of field offices in local communities and cities across America would provide vital services to the worker, the businessman, and industry.

I strongly believe that, in the years ahead, the new Department will be a vital force for the prosperity and progress of a growing Nation.

Since I first suggested the desirability of creating a new Department, my advisers and I have consulted Members of Congress and a wide cross section of industry and labor representatives.

Many have expressed their belief that the new Department would be a distinct and necessary improvement over existing arrangements.

But others, agreeing that the new Department offered substantial advantages, have voiced the concern that abolition of the separate Departments of Commerce and Labor might inhibit the free flow of communication between Government and the communities of business and labor.

Separate departments with their well-established channels of communication, many believe, continue to offer the best assurance that business and labor leaders will be able to present to the Federal Government their views on matters vitally affecting their interests.

I remain convinced that the establishment of a new Department would in no way diminish the legitimate voice of business and labor in the councils of the Nation.

Neither of these groups today depends on a special department to make its voice heard. Indeed neither uses a single channel of communication. The interests of both interweave so thoroughly through the entire fabric of Government that no single agency can adequately serve the interests of either. Nonetheless, I respect the considerations which lie behind those views to the contrary.

In our democratic society, those whose lives and interests are affected by Government policy must be assured full participation in the processes which lead to executive decision.

That is why I believe that further active development of my proposal is necessary before it can be submitted to Congress.

The mechanism by which this can best be achieved is available to us. It is the President's Advisory Committee on Labor-Management Policy. The Committee is composed of the Nation's wisest and most outstanding businessmen, labor leaders, and members of the public. When it was established by Executive order in 1961, President Kennedy expressed this hope:

That the advice of this Committee will assist the Government, labor, management, and the general public to achieve greater understanding of the problems which beset us in these troubled times and to find solutions consistent with our democratic traditions, our free enterprise economy, and our determination that this country shall move forward to a better life for all its people.

I am asking the President's Advisory Committee on Labor-Management Policy to consider the proposal in all its aspects, and particularly to develop means to assure that a free flow of communications will be maintained between the Government and the business and labor communities, both through the new Department and other governmental channels.

No matter which has come before the Committee in the 6 years of its existence is more important than that now committed to it for consideration

I shall await the advice of this Committee before taking further action.

EFFICIENCY IN GOVERNMENT

Every citizen has the right to expect full value for his tax dollar. This is a clear principle I set forth in my first days in office. It is a principle which I reaffirm today.

The management objectives of this administration rest on a pursuit of this principle. In all of our programs, we endeavor to obtain the greatest benefit for each dollar spent; operate at the minimum cost for every service rendered.

Economy in Government does not mean ignoring new needs or old problems. When that occurs economy becomes stagnation. But economy becomes the companion of progress when we avoid overstaffing of Government agencies, eliminate duplication and poor management, and discard what is obsolete and inefficient.

Seeking to improve the quality of American life, we are also improving the quality of Government. We are now making the machinery of Government more effective with two new management tools.

First. Planning-programing-budgeting system—PPBS.

More than a year and a half ago we began to apply a modern system of planning, programing, and budgeting throughout the Federal Government.

This system, which proved its worth many times over in the Defense Department, now brings to each department and agency the most advanced techniques of modern business management.

Analyzing other Federal programs from child development to tax administration, this system is forcing us to ask the fundamental questions that illuminate our choices.

For example, How can we best help an underprivileged child break out of poverty and become a productive citizen? Should we concentrate on improving his education? Would it help more to spend the same funds for his food, or clothing, or medical care? Does the real answer lie in training his father for a job, or perhaps teaching his mother the principles of nutrition? Or is some combination of approaches most effective?

Under PPBS, each department must now develop its objectives and goals, precisely and carefully; evaluate each of its programs to meet these objectives, weighing the benefits against the costs; examine, in every case, alternative means of achieving these objectives; shape its budget request on the basis of this analysis, and justify that request in the context of a long-range program and financial plan.

This new system cannot make decisions. But it improves the process of decisionmaking by revealing the alternatives—for decisions are only as good as the information on which they are based.

PPBS is not costly to operate, but the dividends it will yield for the people of America are large.

The system has taken root throughout the Government, but it will not be able to function fully until more trained men and women, more data, better cost accounting, and new methods of evaluation are available.

To continue this vital work I urge that Congress approve the funds for PPBS requested in the budgets of the various Federal agencies.

Second. Cost reduction.

As we take these steps to improve our programing and budgeting system, we also are continuing an unremitting drive to reduce the Government's cost of doing business.

The cost reductions we are achieving are more than bookkeeping entries. To the taxpayer, they mean real savings, now running into the billions of dollars.

The Defense Department saved $4.5 billion in fiscal 1966 as a result of actions taken over the past several years.

The civilian agencies saved $1.2 billion from steps taken in fiscal 1966 alone, and hundreds of millions of additional dollars as a result of actions taken in prior years.

These economies were not easily achieved. They came from the efforts of men and women in all our agencies, who represent the real force of Government. They are the consequence of a wide range of actions—the elimination of unnecessary paperwork, the improvement of purchasing methods, the closing of obsolete military bases. Some of these savings are small. Others run into the millions. All are important, for the saving of a single dollar is important. These are some recent examples:

Engineers in the Commerce Department found ways to reduce by half the number of Tiros weather satellite launches, saving $15 million, without reducing program effectiveness.

Contracting and management experts at the Post Office devised rigorous procurement procedures and consolidated a number of small post offices, saving almost $10 million.

Medical specialists in the Department of Health, Education, and Welfare developed a technique to rotate inventories of perishable drugs, saving over $5 million.

Scientists at a NASA test center developed a stainless steel rod that performed its mission more reliably than a more costly cadmium rod, saving $20,000.

To broaden and strengthen the Federal Government's drive for economy and efficiency in all its operations, I will issue an Executive order establishing an Advisory Council on Cost Reduction.

The Secretary of Defense, the Chairman of the Civil Service Commission, and the Administrator of General Services will serve on the Council. It will be chaired by the Director of the Bureau of the Budget. I will also appoint other members from the executive branch, from private industry, and from the public.

This Council will review our cost reduction programs, explore the opportunities for increased savings, draw on wisdom and experience of business and labor leaders, and report periodically to me.

THE PUBLIC SERVICE

Government is personal.

It is as compassionate and vibrant or as ineffectual and spiritless as the men and women who shape the laws, who make the decisions, who translate programs into action.

Andrew Jackson once said that the duties of all public offices were "plain and simple." We have journeyed far since then.

Today's public servant, at all levels of government, is a servant of change. He works to make the American city a better place to live. He strives to increase the beauty of our land and end the poisoning of our rivers and the air we breathe. In these and countless other ways he seeks to enlarge the meaning of life and to raise the hopes and extend the horizons for all of us.

The work to be performed in the years ahead will summon trained and skilled manpower in quantities and quality we have never needed before.

Within the Federal Government, we are making careers more attractive. Since I became President, I have proposed and you in Congress have approved pay increases in each of the past 3 years for Federal workers, raising salary levels by an average of 12 percent. The new executive assignment system begun last year will reshape the upper civil service so that talent is readily recognized and excellence is fully rewarded.

Later in this session of Congress, I shall submit additional proposals to enable the Government to attract and retain the public servants it needs.

But nowhere is the magnitude of government manpower greater, and the accompanying challenge more critical, than at the State and local levels. Consider the following:

Between 1955 and 1965 employment in State and local governments increased from 4.7 million to 7.7 million, or four times the rate of growth of employment in the economy as a whole.

By 1975, State and local government employment will grow to more than 11 million.

Each year, from now through 1975, State and local governments will have to recruit at least one-quarter of a million new administrative, technical, and professional employees, not including teachers, to maintain and develop their programs.

One out of every three of the Nation's municipal executives, and one out of every two municipal health directors will be eligible for retirement within the next 10 years.

There will be two vacancies for each new graduate of a university program in city and regional planning.

These statistics show that States and local governments are flourishing as they never have before. But they also contain a clear signal that in the chain of Federal-State-local relationships, the weakest link is the emerging shortage of professional manpower.

We can strengthen that link, or later pay the price of weakness with inefficient government unable to cope with the problems of an expanding population.

I believe we should take positive action now.

I recommend two legislative proposals to improve the quality of government in the years ahead—the Public Service Education Act of 1967 and the Intergovernmental Manpower Act of 1967.

My fiscal 1968 budget includes $35 million for these proposals: $10 million for the Public Service Education Act, and $25 million for the Intergovernmental Manpower Act.

These measures are demanding. They will require the support of Congress, the executive branch, State and local governments, our colleges and universities and private organizations.

They recognize that the key to effective action remains with the States and local governments.

First. The Public Service Education Act of 1967.

This legislation has a single clear goal: to increase the number of qualified students who choose careers in Government.

The measure would authorize the Secretary of Health, Education, and Welfare to provide fellowships for young men and women who want to embark on the adventure of Government service.

It would provide support to universities seeking to enrich and strengthen their public service education programs.

This financial assistance can be used to support a broad range of activity including research into new methods of education for Government service; experimental programs, such as study combined with part-time public service; plans to improve and expand programs for students preparing for Government careers; training faculties, establishing centers for study at the graduate or pro-

fessional level, conducting institutes for advanced study in public affairs and administration.

Second. The Intergovernmental Manpower Act of 1967.

This legislation is designed specifically to deal with the varied manpower needs of State and local governments.

It would authorize the Civil Service Commission to provide fellowships to State and local government employees; make grants of up to 75 percent to help State and local governments develop and carry out comprehensive training plans and strengthen their personnel administration systems.

It would allow Federal agencies to admit State and local employees to Federal training programs, and to provide additional assistance for those employees who administer Federal grant-in-aid programs.

Across America, many men and women of skill and vision work in State houses and city halls.

Their knowledge and experience can help us. And we are prepared to bring the special experience of Federal employees to the local level.

The Intergovernmental Manpower Act would allow Federal workers to take assignments in State and local governments for periods up to 2 years, with full protection of job rights and benefits. In addition, the Federal agencies would be able to accept State and local employees for assignments of equivalent periods.

This proposal, I believe, fills a vital need. The mutual interchange of ideas and perspectives will benefit all echelons of government.

THE FEDERAL SYSTEM

Shaped by our Founding Fathers, the federal system has withstood a test of time and experience they could never have foreseen.

It has been adapted to a complexity of government functions unknown and unanticipated in the simpler times of its creation.

Today the Federal system rests on an interlocking network of new relationships and new partnerships among all levels of government.

That structure is elaborate. It consists of 50 States, over 3,000 counties, 18,000 municipalities, more than 17,000 townships, and almost 25,000 school districts, all of which employ more than 7 million people with a monthly payroll of nearly $5 billion.

Every American is served through these units of government.

In shaping programs to meet the needs of modern-day America, several factors have emerged which have important consequences for our Federal system:

First, many of the problems we are dealing with are national in scope, requiring national strategies to attack them. But these problems exist in communities and neighborhoods, so their solutions must be tailored to specific local needs.

Because broad national strategy must be fused with local knowledge and administration, the executive branch and Congress have chosen to operate through the mechanism of the grant-in-aid. The 1968 budget provides $17 billion in Federal grants-in-aid to States and local governments. These range from old age assistance to infant care, from housing development to highway construction.

During the past 3 years, we have returned to State and local governments about $40 billion in grants-in-aid. This year alone, some 70 percent of our Federal expenditures for domestic social programs will be distributed through the State and local governments. With Federal assistance, State and local governments by 1970 will be spending close to $110 billion annually. As I said in my 1967 state of the Union message, "these enormous sums must be used wisely, honestly, and effectively."

Second, attacking the major ills of our society—poverty, crime, pollution, and decay—requires the interaction of many agencies working together at different levels of government. Coordinating and marshaling their efforts is a demanding challenge.

Third, many of the problems transcend established boundaries. Air and water pollution, for example, respect no State or municipal lines. Neither does mass transit—with commuters moving in and out of central cities and across different borders. Many of our programs, therefore, have resulted in new groupings and councils of old jurisdictions working together for the first time.

Careful study of these key factors reveals the need to strengthen the Federal system through greater communication, consideration, consistency, and coordination.

BETTER LINES OF COMMUNICATION

All levels of government must be able to communicate with each other more frequently and freely than they ever have before.

This does not require an act of Congress. It simply requires an open-door policy, a willingness by all who participate in the adventure of cooperative government to sit together to discuss their common problems.

The door of discussion will always be open in the Federal Government to the mayor of every city and the Governor of every State.

I have invited and met with the Governors or substantial groups of them on at least seven separate occasions.

I have repeatedly assured each Governor that top officials of the executive branch stand ready to brief him and to visit his State capital to discuss matters of mutual concern.

Over the past several weeks, a team of Government officials headed by Gov. Farris Bryant, Director of the Office of Emergency Planning, has accepted the invitations extended by 16 Governors and visited their State capitals, where full and frank discussions with the Governors on the problems of Federal-State relationships have been carried on. Additional visits are planned in the weeks ahead.

I have extended invitations to the Governors of every State to come to the Nation's Capitol this Saturday to meet with me and members of my Cabinet for discussions and briefings, and to exchange ideas on how the ties between the Federal Government and State and local governments can be strengthened.

In addition, I have directed the heads of all departments and agencies to consult on a frequent and systematic basis with Governors, and mayors, and other local officials in development and administration of Federal programs.

I have requested the Vice President and Gov. Farris Bryant, Director of the Office of Emergency Planning, to confer with State and local officials whenever problems of intergovernmental relations arise.

CONSOLIDATION OF GRANT-IN-AID PROGRAMS

There are today a very large number of individual grant-in-aid programs, each with its own set of special requirements, separate authorizations and appropriations, cost-sharing ratios, allocation formulas, administrative arrangements, and financial procedures. This proliferation increases red tape and causes delay. It places extra burdens on State and local officials. It hinders their comprehensive planning. It diffuses the channels through which Federal assistance to State and local governments can flow.

There are several steps we should take to help remedy this situation.

The first step is to simplify procedures for grant application, administration and financial accounting.

A local health program, for example, may draw upon separate Federal grants-in-aid for child health, training of health personnel and mental health. Similarly a Governor often wishes to focus several related Federal grant programs upon a single complex problem.

At the present time it is usually necessary for the Governor or mayor to submit separate applications and follow separate financial and administrative procedures for each such Federal grant.

Initially, we should make it possible, through general legislation, for Federal agencies to combine related grants into a single financial package thus simplifying the financial and administrative procedures—without disturbing, however, the separate authorizations, appropriations, and substantive requirements for each grant-in-aid program.

The development of a workable plan for grant simplification will demand careful preparation. The statutes involved are varied and complex.

I have instructed the Director of the Bureau of the Budget, in cooperation with the Federal agencies concerned and representatives of the States and local governments to form a joint task force to develop such a plan. The task force will report to me within 1 month. I will then submit to the Congress the necessary legislation to simplify our grant-in-aid procedures.

Beyond administrative and financial consolidation, an even more fundamental restructuring of our grant-in-aid programs is essential.

Last year's Partnership for Health Act pointed the way. With that measure Congress combined into a single package a number of health grants. It established for these activities a single set of requirements, a single authorization, and a single appropriation.

I have requested the Director of the Bureau of the Budget to review the range of Federal grant-in-aid programs to determine other areas in which a basic consolidation of grant-in-aid authorizations,

appropriations, and statutory requirements should be carried out.

As that review is completed, I will seek the necessary legislation to combine and modernize the grant-in-aid system, area by area.

CONSISTENCY AND COORDINATION

Each major Federal department and agency works through a series of regional or field offices. These offices are the vital links between Washington and people in States, cities, and townships across America. Whether our programs are effective often depends on the quality of administration in these field offices.

Yet, for all their importance, there has been only infrequent critical analysis of their roles and performance.

The cause of intergovernmental cooperation is poorly served when these offices are out of touch with local needs, or when their geographic boundaries overlap or are inconsistent.

I have asked the Director of the Bureau of the Budget to undertake a comprehensive review of the Federal field office structure and to develop a plan to assure the most effective use and location of these offices.

I have asked him to recommend a plan for the restructuring of these offices, and I hope to incorporate the first steps of this plan in my next budget message.

STATE AND LOCAL ACTION

Our Federal system is strong. It is the best instrument we have, or any nation has ever had, for joint action.

If we observe strains in the workings of that system, they are natural consequences of the great stirring of governmental action at all levels to cope with acute problems. When governments do nothing, when they are oblivious to the needs of the times, there is an illusion of order. It is an illusion both costly and disastrous.

But to survive and serve the ends of a free society, our Federal system must be strengthened—and not alone at the national level.

Some State and many local jurisdictions maintain planning, budgetary, and statistical systems unchanged since the 19th century. Obsolete and arbitrary fiscal restraints increase pressures for Federal action in areas where State and local communities themselves should assume responsibility.

I particularly urge Governors and mayors to take advantage of the channels of communication which I mentioned previously. I urge the Governors to utilize that provision of the Model Cities Act which encourages, and helps to finance, the establishment of State centers for information and technical assistance to medium-sized and smaller communities.

Two years ago, discussing the challenges which the improvement of our society poses, I said:

> The solution to these problems does not rest on a massive program in Washington . . .

I repeat those words today, with an emphasis even stronger.

No nation so great as ours can develop the society its people need if the Federal Government evades its responsibility. This Government has not and will not. But neither can such a nation hope to succeed on the strength of Federal action alone.

We began as a nation of localities. And however changed in character those localities become, however urbanized we grow and however high we build, our destiny as a Nation will be determined there.

Just as the effectiveness of every law must be gauged by its administration, many programs must succeed, or fail, in the local health department or school board or urban renewal office or community action agency which turns it from plan to performance.

CONCLUSION

Because of the social and economic legislation passed by the 88th and 89th Congresses—legislation unmatched in all the annals of our history—this Nation now has programs which can lift the quality of American life higher than any before us have known.

What remains for us now is to improve the quality of Government itself—its machinery, its manpower, its methods—so that those programs will touch and transform the lives of the people for whom they were intended.

The processes of Government are vast, as is the Nation itself. But its vastness, and its strength as well, comes from the diversity of its many parts.

The partnership which links every level of our Government is the genius of our system as that system took life under the Constitution.

We have never achieved perfection in that partnership any more than we have achieved perfection in the society it serves. But we have never stopped reaching for both, nor will we, even though the effort to improve each must now be accelerated in the intensity of change.

Only our traditions and our goals remain unchanged. So long as we are faithful to these, we must pursue and endeavor as best we can to perfect the partnership which enables Government to work—the partnership between the executive branch and the Congress, between the Federal Government and the States, between both and the local communities.

It is in the interest of this continued partnership, and in the spirit of hope it generates, that I present this program to the Congress and the Nation today.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *March 17, 1967.*

LIMITATION ON STATEMENTS DURING THE TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, statements during the transaction of routine morning business were ordered limited to 3 minutes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary.

The Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary.

The Committee on Commerce.

On request of Mr. BYRD of West Virginia, and by unanimous consent, the following subcommittees were authorized to meet during the session of the Senate today:

The Subcommittee on Intergovernmental Relations of the Committee on Government Operations.

The Subcommittee on Employment, Manpower and Poverty of the Committee on Labor and Public Welfare.

The Subcommittee on Securities of the Committee on Banking and Currency.

JOHN FITZGERALD KENNEDY NATIONAL HISTORIC SITE IN THE COMMONWEALTH OF MASSACHUSETTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 76, S. 1161.

The PRESIDENT pro tempore. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 1161) to establish the John Fitzgerald Kennedy National Historic Site in the Commonwealth of Massachusetts.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, after line 19, to strike out:

> SEC. 2. The properties or interests therein acquired under the provisions of this Act shall be designated by the Secretary of the Interior by publication in the Federal Register as the John Fitzgerald Kennedy National Historic Site.

At the beginning of line 24, to change the section number from "3" to "2"; and, on page 3, after line 3, to strike out:

> SEC. 4. The National Park Service of the Department of the Interior is hereby authorized to conduct a study to develop a suitable plan for the operation and maintenance of the John Fitzgerald Kennedy National Historic Site as provided in this Act.

So as to make the bill read:

S. 1161

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve in public ownership historically significant properties associated with the life of John Fitzgerald Kennedy, the Secretary of the Interior is authorized to acquire by purchase, donation, or otherwise all right, title, and interest in and to such lands, or interests therein (including scenic easements), together with any improvements thereon, as the Secretary of the Interior may deem necessary for the purpose of establishing the birthplace of John Fitzgerald Kennedy as a national historic site. The acquisition shall include, but not be limited to, the property in the town of Brookline, County of Norfolk, Commonwealth of Massachusetts, with the improvements thereon, situated on Beals Street, being shown on a plan entitled "Subdivision lot 47 Plan Beals' Estate, Brookline, Octo-

ber 1897, Joseph R. Carr, C.E." recorded with Norfolk Deeds, book 1080, page 461, and bounded and described as follows:

northwesterly by Beals Street, 50 feet;

northeasterly by lot 50 on plan recorded with said deeds at the end of book 800, 72.46 feet;

southeasterly by lot 48 on said last mentioned plan, 50.51 feet; and

southwesterly by a part of lot 47 on said last mentioned plan conveyed by Robert M. Goode to Estille C. Ralph, by deed recorded with said deeds, book 1092, page 53, 80.33 feet,

such property being the birthplace of President John Fitzgerald Kennedy.

SEC. 2. The Secretary shall administer the John Fitzgerald Kennedy National Historic Site in accordance with the Act approved August 25, 1916 (39 Stat. 535), as amended and supplemented, and the Act approved August 21, 1935 (49 Stat. 666), as amended.

Mr. JACKSON. Mr. President, I am pleased that the Senate is taking up S. 1161, a bill to establish the John Fitzgerald Kennedy National Historic Site in the Commonwealth of Massachusetts.

We, as a nation, have not evolved a distinct policy for the commemoration of former Presidents by the recognition and preservation of their birthplaces. Actually, only five Presidents' birthplaces are owned and administered by the Federal Government. The birthplaces of the others are owned by non-Federal entities, some preserved and open to the public, some not open to the public, some merely recognized by plaques, and some not even definitely identified. Only one-half of the Presidents' birthplaces are in governmental, foundation, or institutional ownerships.

Many of the past Presidents are recognized by the preservation of homes identified with their later years. Mount Vernon, Monticello, and the Hermitage are fine examples of this type.

The pattern in the few instances of Federal recognition of Presidents' birthplaces has been fairly distinct, though. The five birthplaces now a part of the national park system were acquired either in total or in part through donations of the sites by the administering foundations, the surviving families, or combinations thereof.

The Kennedy Birthplace National Historic Site would follow this pattern. The house at 83 Beals Street, in Brookline, Mass., would be donated and completely restored to its 1917 condition. The National Park Service would then assume the administration of the home.

John Fitzgerald Kennedy, due to his tragic and untimely death, was not associated with a particular home in later life, as were many of our Presidents. I believe it is fitting, then, that we accept this offer of his birthplace home to become a part of our historical heritage.

I was most pleased to join my friend and colleague, the distinguished senior Senator from Kentucky [Mr. COOPER] in sponsoring this bill. I believe that Congress should avail itself of this unique opportunity, and I urge the prompt passage of S. 1161 by the Senate.

Mr. MANSFIELD. I ask unanimous consent that the amendments be considered en bloc.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendments en bloc.

The amendments were agreed to en bloc.

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. 76), 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 the bill is to establish the birthplace of the former President John Fitzgerald Kennedy as a national historic site. As indicated by the testimony, there is no need to comment on the role which history has destined the late President to play in the annals of the United States. For contemporaries, the Kennedy birthplace will have even greater significance.

The residence at 83 Beals Street was built about 1908 and purchased by Joseph P. Kennedy on August 20, 1914. The Kennedy family lived there until about 1920, when the house was sold. For about the first three and a half years of his life, the future President lived at his birthplace. This property—comprising a substantial nine-room two-story frame structure occupying a lot of less than 4,000 square feet—was reacquired and is presently owned by a member of the Kennedy family. This property is now in the process of being restored and the interior is being redecorated and will be furnished to make it comparable to the way it looked in 1917. A recent letter from the late President's mother stated that the family stands ready and is anxious to donate this property to the United States for administration as a national historic site. The text of this letter has been inserted into the hearing record and is set forth in full at the end of this report.

The Advisory Board on National Parks, Historic Sites, Buildings, and Monuments has recognized the historical significance of this property, and upon its recommendations the Secretary of the Interior designated it as a registered national historic landmark; it was so dedicated on May 29, 1965. The Department strongly supports this legislation to preserve the Kennedy birthplace as a national historic site which will be administered by it through the National Park Service. Visitors to this proposed national historic site, which is located in a residential neighborhood, will be able to park their cars along Beals Street or in one of the three municipal parking lots located within easy walking distance.

The birthplace of five of the 36 men who have served as President of the United States are administered by the National Park Service. These are: The site of George Washington's birthplace in Virginia, established as the George Washington Birthplace National Monument in 1930; the Home of Franklin D. Roosevelt National Historic Site, designated in Hyde Park, N.Y., in 1944; the Abraham Lincoln Birthplace National Historic Site, established in Kentucky in 1949; the Theodore Roosevelt Birthplace National Historic Site, established in New York City in 1953; and the Herbert Hoover National Historic Site marking the birthplace of the 29th President in Iowa, authorized on August 12, 1965. The birthplace of 13 other Presidents of the United States are in State, local government, foundation, or institutional ownership.

Your committee believes that the Congress should enact S. 1161, authorizing the establishment of the John Fitzgerald Kennedy National Historic Site in Brookline, Mass., in commemoration of our 35th President.

MESSAGE FROM THE PRESIDENT

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

REPORT ON OPERATION OF AUTOMOTIVE PRODUCTS TRADE ACT OF 1965—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Finance:

To the Congress of the United States:

I am pleased to transmit to the Congress the first annual report on the operation of the Automotive Products Trade Act of 1965. By this act Congress authorized implementation of the United States-Canada Automotive Products Agreement.

This historic agreement is a joint undertaking by the United States and Canada to create a broader market for automotive products, to liberalize automotive trade between the two countries, and to establish conditions conducive to the most efficient patterns of investment, production and trade in this critical industry. It is symbolic of the spirit of cooperation between these two friendly neighbors.

The first year of operations under the act provides solid proof of its importance. The value of total trade in automotive products between the United States and Canada during 1966 exceeded $2 billion—compared with approximately $1.1 billion in 1965. The benefits to the people of both countries are impressive and fully detailed in the report.

LYNDON B. JOHNSON.

THE WHITE HOUSE.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 857. An act to repeal the "cooly trade" laws;

H.R. 2513. An act relating to national observances and holidays, and for other purposes;

H.R. 2517. An act to amend sections 64a, 238, 378, and 483 of the Bankruptcy Act and to repeal sections 354 and 459 of the act;

H.R. 2518. An act to amend sections 337 and 338 of the Bankruptcy Act and to add new section 339;

H.R. 2519. An act to amend sections 334, 355, 367, and 369 of the Bankruptcy Act;

H.R. 2536. An act to terminate the Indian Claims Commission, and for other purposes; and

H.R. 3799. An act for the relief of the city of Pawtucket, R.I.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 280) expressing the sense of the Congress on the occasion of the centennial of the confederation of Canada, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 16) to provide additional readjustment assistance to veterans who served in the Armed Forces during the Vietnam era, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 7123) making supplemental appropriations for the fiscal year ending June 30, 1967, and for other purposes.

ENROLLED JOINT RESOLUTIONS SIGNED

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

H.J. Res. 267. Joint resolution to support emergency food assistance to India.

H.J. Res. 273. Joint resolution to amend the Agricultural Adjustment Act of 1938, as amended, with respect to the lease and transfer of tobacco acreage allotments.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on the Judiciary:

H.R. 857. An act to repeal the "cooly trade" laws;

H.R. 2513. An act relating to national observances and holidays, and for other purposes;

H.R. 2517. An act to amend sections 64a, 238, 378, and 483 of the Bankruptcy Act and to repeal sections 354 and 459 of the act;

H.R. 2518. An act to amend sections 337 and 338 of the Bankruptcy Act and to add new section 339;

H.R. 2519. An act to amend sections 334, 355, 367, and 369 of the Bankruptcy Act; and

H.R. 3799. An act for the relief of the city of Pawtucket, R.I.

EXECUTIVE COMMUNICATIONS, ETC.

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

AMENDMENT OF CERTAIN ACTS RELATING TO INSPECTION, CLASSIFICATION, CERTIFICATION, TESTING, AND IDENTIFICATION OF COTTON, TOBACCO, AND GRAIN

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend certain acts relating to the inspection, classification, certification, testing, and identification of cotton, tobacco and grain; and the examination of warehouses licensed under the U.S. Warehouse Act; and for other purposes (with accompanying papers); to the Committee on Agriculture and Forestry.

ADJUSTMENTS IN THE AMOUNT OF OUTSTANDING SILVER CERTIFICATES

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize adjustments in the amount of outstanding silver certificates, and for other purposes (with an accompanying paper); to the Committee on Banking and Currency.

PROPOSED CHANGES IN PASSPORT LAWS

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to make several changes in the passport laws presently in force (with an accompanying paper); to the Committee on Foreign Relations.

AMENDMENT OF TITLE 13, UNITED STATES CODE

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend title 13, United States Code, to provide for a mid-decade census of population, unemployment, and housing in the year 1975 and every 10 years thereafter (with accompanying papers); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A resolution of the House of Representatives of the State of Washington; to the Committee on Interior and Insular Affairs:

"HOUSE RESOLUTION 67-50

"Whereas, The State of Washington is singularly honored in that the Indian peoples constituting the membership of the great Colville Indian Reservation wish to find an equitable means of terminating federal supervision over the property and affairs of the Colville Indian Reservation and to become full-fledged citizens both of this nation and of the state; and

"Whereas, This desire on the part of the membership has been evidenced by the action of the members of its Tribal Council; and

"Whereas, Senator Henry M. Jackson introduced legislation in the Eighty-eighth Congress providing for an end to the Colville Indian Reservation and restoration to full rights as citizens to the membership, and Representative Thomas S. Foley introduced like legislation for the Eighty-ninth Congress;

"Now, therefore, be it resolved, By the House of Representatives, That this petition be most respectfully submitted to the House of Representatives and to the Senate of the United States and to the Honorable Lyndon B. Johnson, President of the United States, urging immediate action to fulfill the desires of the membership of the Colville Indian Reservation to become citizens enjoying equal rights, privileges and responsibilities as other citizens of this state and of this nation; and

"Be it further resolved, That the Chief Clerk of the House of Representatives submit copies of this resolution to the Honorable Lyndon B. Johnson, President of the United States, to the Speaker of the House of Representatives of the United States, to the President of the Senate of the United States, and to each member of Congress from the State of Washington.

"Adopted March 14, 1967.

"I hereby certify this to be a true and correct copy of Resolution adopted by the House of Representatives March 14, 1967.

"MALCOLM MCBEATH,

"Chief Clerk, House of Representatives."

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

"ASSEMBLY JOINT RESOLUTION 18

"Assembly joint resolution Memorializing the Congress and the Department of the Interior to authorize funds and planning necessary to complete the Dixie Project in Nevada and Utah

"WHEREAS, The Dixie Project is of vital importance to the Virgin River area of Nevada and Utah for irrigation and flood control purposes; and

"WHEREAS, Preliminary reports have been made on the project and a definite plan report is being prepared to determine the feasibility of the project; and

"WHEREAS, Funds are necessary to complete investigations; and

"WHEREAS, The project, when plans are completed, will require congressional action to authorize financing from the revenues of existing or future power generation facilities; now, therefore, be it

"Resolved by the Assembly and Senate of the State of Nevada, jointly, That the Bureau of Reclamation of the Department of the Interior is hereby memorialized to complete all studies and surveys necessary for the construction of this vital project; and be it further

"Resolved, That the Congress of the United States is hereby memorialized to authorize all funds necessary for planning and construction of the Dixie Project; and be it further

"Resolved, That copies of this resolution be prepared by the legislative counsel and delivered forthwith to the members of the Nevada and Utah congressional delegations, the President of the Senate and the Speaker of the House of Representatives of the United States, the chairman and members of the Senate and House of Representatives committees on Appropriations and Interior and Insular Affairs, the Secretary of the Department of the Interior and the Commissioner of the Bureau of Reclamation."

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on Interior and Insular Affairs:

"A CONCURRENT RESOLUTION MEMORIALIZING CONGRESS TO ENACT SUCH LEGISLATION AS WILL ENLARGE, IMPROVE, AND PRESERVE THE COWPENS NATIONAL BATTLEFIELD IN SOUTH CAROLINA

"Whereas, the Battle of Cowpens in the American Revolution on January 17, 1781, helped to turn the tide in this historic and titanic struggle for independence; and

"Whereas, legislation has been introduced, or is about to be introduced, in the Congress of the United States to enlarge and improve the Cowpens Battleground site; and

"Whereas, it is appropriate and pertinent that this historic shrine be improved, enlarged and preserved so that future generations will be ever reminded that the price for freedom is costly, demanding and unending. Now, therefore,

"Be it resolved by the House of Representatives, the Senate concurring:

"That Congress be memorialized to enact such legislation as will enable the proper authorities to enlarge, improve and preserve the Cowpens National Battlefield in South Carolina.

"Be it further resolved that copies of this resolution be forwarded to the members of the Congressional Delegation from this State, to each Senator from this State, to the Speaker of the United States House of Representatives and Presiding Officer of the United States Senate and to the Vice President and President of the United States.

"State of South Carolina In the House of Representatives Columbia, South Carolina March 16th, 1967.

"I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the South Carolina House of Representatives and concurred in by the Senate.

"[SEAL] INEZ WATSON,

"Clerk of the House."

A resolution of the Legislature of the State of Nebraska; to the Committee on Public Works:

"LEGISLATIVE RESOLUTION 19

"Resolution memorializing the President, the United States Congress and Secretary of the Department of Transportation to maintain the Federal-Aid Highway program at its 1966 levels

"Whereas, the Bureau of Public Roads of the Department of Transportation in late November of 1966 advised all states of a cut in their authority to obligate Federal-Aid

Highway Funds for fiscal 1967 as well as a retroactive prohibition on obligating any funds not yet obligated from previous apportionments as of June 30, 1966; and

"Whereas, the recent release of $175 million of the frozen funds is only approximately 10 per cent of the total funds previously frozen; and

"Whereas, the State of Nebraska had a $13,319,584 balance of Federal Funds apportioned to it, but not obligated as of June 30, 1966, and an additional apportionment of $34,143,170 was made in October 1966, making a total of $47,462,754, of which only $25,690,000 is now available for obligation during this fiscal year, a reduction of $21,772,754 or 45.9%; and

"Whereas, improvements in Nebraska's highway program would be beneficial to the economic growth and development of Nebraska, and vital to our national defense program, curtailment of less essential programs should be considered; and

"Whereas, the State of Nebraska has geared its highway planning and steadily increasing construction in reliance on the promises, announced policies, budgets, statutes and urgings of the Federal government; and

"Whereas, the Federal-Aid cut will severely curtail this state's efforts to achieve and develop its current program,

"Be it resolved, that the Legislature of the State of Nebraska do respectfully urge that the Congress of the United States do at the earliest possible time devise and approve legislation which will restore all Federal-Aid Highway Funds to the levels in effect and contemplated in November 1966, prior to the cutback.

"Be it further resolved, that the Secretary of State of the State of Nebraska transmit copies of this resolution to the President of the United States, to the Senators and Representatives from the State of Nebraska, to the Vice President, to the Chairmen of the Committees on Finance and on Commerce of the Senate, to the Speaker and Chairmen of the Ways and Means and Public Works Committees of the House of Representatives and to the Secretary of the Department of Transportation.

"JOHN E. EVERROAD,
"President of the Legislature.

"I, Hugo F. Srb, hereby certify that the foregoing is a true and correct copy of Legislative Resolution 19, which was passed by the Legislature of Nebraska in Seventy-seventh regular session on the ninth day of March, 1967.

"HUGO F. SRB,
"Clerk of the Legislature."

A joint resolution of the Legislature of the State of Colorado; to the Committee on Public Works:

"SENATE JOINT MEMORIAL 4

"Joint resolution memorializing the Congress of the United States to take whatever action is necessary to bring about the release of funds authorized by the Congress of the United States to be allotted to the States for the Federal-Aid Highway Program

"Whereas, The Federal Aid Highway Act of 1956, and other federal statutes, created and established a program for the construction of a system of interstate and defense highways, and federal-aid primary and secondary highways, with urban extensions in the state of Colorado and the several states of the nation; and

"Whereas, The federal statutes have defined the sources of revenue and have dedicated the funds exclusively for the timely and orderly development of said highway system; and

"Whereas, For the past decade the federal government has urged the state of Colorado to proceed as rapidly as possible in the construction of the interstate system, and Colorado has been most cooperative in this regard as is evidenced by the highway program of the state of Colorado; and

"Whereas, Title 23 of the United States Code provides that on or before January 1 next preceding the commencement of each fiscal year, the Secretary of Commerce shall apportion to the several states the sums authorized to be appropriated for that fiscal year; and

"Whereas, Section 118 of said Title 23 states, in part, 'On and after the date that the Secretary has certified to each state highway department the sums apportioned * * *, such sums shall be available for expenditure under the provisions of this title'; and

"Whereas, Section 118 of said Title 23 also provides that such sums shall be available for expenditure in the state for a period of two years after the close of the fiscal year for which such sums are authorized; and

"Whereas, On August 30, 1965, the Secretary of Commerce did apportion $4.0 billion of federal-aid for fiscal 1967, of which Colorado's share was $50,896,943, as authorized by Senate Joint Resolution 81, and signed into law by President Johnson on August 28, 1965; and

"Whereas, On October 10, 1966, the Secretary of Commerce did apportion $4.4 billion for fiscal year 1968, of which Colorado's share was $55,734,732, as authorized by the Federal-aid Highway Act of 1966, which was signed into law by President Johnson on September 13, 1966; and

"Whereas, On November 23, 1966, Federal Highway Administrator Rex M. Whitton announced a substantial reduction in the limit of funds for obligation in fiscal year 1967, Colorado being limited to $41,743,000 instead of the $50,896,943 apportionment announced on August 30, 1965; and

"Whereas, It appears that the estimated receipts of the Highway Trust Fund would permit the release of $4.4 billion of new obligational authority during fiscal year 1967, in addition to the carryover balance from fiscal 1966, instead of the $3.3 billion limitation which has been imposed; now, therefore,

"Be It Resolved by the Senate of the Forty-sixth General Assembly of the State of Colorado, the House of Representatives concurring herein:

"That we respectfully petition the Congress of the United States to take whatever action is necessary to bring about the release of, and make available to the states, the funds authorized by the Congress of the United States for the federal-aid highway program under the Federal Aid Highway Act of 1956, and other federal statutes. By action of the President of the United States, said funds were cut back on this most vital and necessary federal-aid highway program, which, if not continued in an orderly fashion, will have lasting adverse effects upon the national defense, and the economic stability of the state of Colorado and the several states; and

"Be It Further Resolved, That the Secretary of the Senate of the State of Colorado is hereby directed to forward copies of this Memorial to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each member of Congress from the State of Colorado.

"MARK A. HOGAN,
"President of the Senate.
"COMFORT W. SHAW,
"Secretary of the Senate.
"JOHN D. VANDERHOOF,
"Speaker of the House of Representatives.
"HENRY C. KIMBROUGH,
"Chief Clerk of the House of Representatives."

A concurrent resolution of the Legislature of the State of Hawaii; to the Committee on Public Works:

"HOUSE CONCURRENT RESOLUTION 11

"Whereas the State of Hawaii has served as a vital area for military activity, as an international cultural meeting ground through the East-West Center, and as a crossroad for industrial and commercial activity between the countries of the East and West; and

"Whereas the State of Hawaii, in assuming this strategic role with responsible determination, finds it essential to develop a system of highways to service the military, cultural, industrial, and commercial activities; and

"Whereas the Federal Aid Highway Act of 1956 and other Federal statutes created and established a program for the construction of a system of interstate and defense highways, and Federal-aid primary and secondary highways with urban extensions in the State of Hawaii; and

"Whereas the Federal Government has pressed the attention of the State of Hawaii and the highway industry of this State to accelerate the construction program to broaden the base for entitlement of Federal aid because the State of Hawaii did not enjoy the full impact of the Federal Highway Act of 1956 until it achieved statehood in 1959; and

"Whereas the State of Hawaii has diligently cooperated by its initiation of an accelerated highway program, promotion for training and establishment of a skilled work force, engaging the cooperation of contractors, subcontractors, and materialmen to undertake large, long-term capital investments to meet this commitment; and

"Whereas the construction team of men and machinery and professional engineers and contractors, once developed and operating efficiently, cannot be sustained if the financing becomes spasmodic and unreliable; and

"Whereas the cutback announced by the President on November 23, 1966, reduced the Federal funds available for fiscal year 1967 to Hawaii for highway construction purposes from $64,134,585 to $28,640,500, a reduction of $35,494,085; and

"Whereas the adverse effect of such a cutback not only affects the construction industry and the economy of the State of Hawaii, but also seriously impairs Hawaii's bold programs for traffic safety and highway beautification: Now, therefore, be it

"Resolved by the House of Representatives of the Fourth Legislature of the State of Hawaii, General Session of 1967 (the senate concurring), That the President of the United States be and is hereby respectfully requested to reconsider his decision to cut back on this most vital and necessary Federal-aid highway program; and be it further

"Resolved, That certified copies of this resolution be forwarded to the President of the United States, to each member of the Hawaii congressional delegation and the President of the Senate and the Speaker of the House of Representatives of the United States."

A resolution of the Senate of the State of Washington; to the Committee on Post Office and Civil Service:

"SENATE RESOLUTION,
1967—EX 10

"Whereas, the Kelly Air Mail Act of 1925 marked the beginning of contract air mail service by providing for a series of north to south feeder lines connecting the Post Office Department's east to west route from New York to San Francisco; and

"Whereas, Leon Cuddeback inaugurated scheduled contract air mail service for Varney Airlines on contract air mail Route No. 5, connecting the Pacific Northwest with the Southwest, from Pasco, Washington to Elko, Nevada via Boise, Idaho in his ninety horsepower Swallow biplane at 6:23 antemeridian on the 6th day of April, 1926; and

"Whereas, It has been generally acknowledged by American air historians that Leon Cuddeback flew the first authentic scheduled contract air mail run; and

"Whereas, early contract airmail service was beset by a number of perils and limitations by reason of numerous forced landings

and lack of navigational aids and equipment, and required the most daring spirit reminiscent of the pioneering spirit of the earliest settlers in the Americas and later of the settlers in the American West;

"Now, therefore, be it resolved, By the Senate, that the President and Congress of the United States of America, and the United States Postmaster General, be respectfully urged to commemorate the inauguration of scheduled contract air mail service under the Kelly Air Mail Act of 1925 from Pasco, Washington to Elko, Nevada on the 6th day of April, 1926, by the issuance, in the year 1976, of a semicentennial or golden jubilee commemorative airmail stamp or series; and

"Be it further resolved, That a copy of this resolution be transmitted to the Honorable Lyndon B. Johnson, President of the United States of America, the President of the United States Senate, the Speaker of the House of Representatives, to each member of Congress from the State of Washington, and to the United States Postmaster General.

"I, Ward Bowden, Secretary of the Senate, do hereby certify this is a true and correct copy of Senate Resolution No. 1967 Ex 10 adopted by the Senate on March 15, 1967.

"WARD BOWDEN,
"Secretary of the Senate"

A resolution of the House of Representatives of the State of Washington; to the Committee on Post Office and Civil Service:

"HOUSE RESOLUTION 67–53

"Whereas, The Kelly Air Mail Act of 1925 marked the beginning of contract airmail service by providing for a series of north-to-south feeder lines connecting the Post Office Department's east-to-west route from New York to San Francisco; and

"Whereas, Leon Cuddeback inaugurated scheduled contract airmail service for Varney Airlines on contract airmail Route No. 5 (connecting the Pacific Northwest with the Southwest from Pasco, Washington to Elko, Nevada via Boise, Idaho) in his ninety horsepower Swallow biplane at 6:23 antemeridian on the 6th day of April, 1926; and

"Whereas, It has been generally acknowledged by American air historians that Leon Cuddeback flew the first authentic scheduled contract airmail run; and

"Whereas, Early contract airmail service was beset by a number of perils and limitations by reason of numerous forced landings and lack of navigational aids and equipment and required the most daring spirit reminiscent of the pioneering spirit of the earliest settlers in the Americas and later of the settlers in the American West;

"Now, therefore, be it resolved, By the House of Representatives, That the President and Congress of the United States of America and the United States Postmaster General be respectfully urged to commemorate the inauguration of scheduled contract airmail service under The Kelly Air Mail Act of 1925 from Pasco, Washington to Elko, Nevada on the 6th day of April, 1926, by the issuance in the year 1976 of a semicentennial or golden jubilee commemorative airmail stamp or series; and

"Be it further resolved, That a copy of this resolution be transmitted to the Honorable Lyndon B. Johnson, President of the United States of America; the President of the United States Senate; the Speaker of the House of Representatives; to each member of Congress from the State of Washington; and to the United States Postmaster General.

"Adopted March 15, 1967.

"I hereby certify this to be a true and correct copy of Resolution adopted by the House of Representatives March 15, 1967.

"MALCOLM MCBEATH,
"Chief Clerk, House of Representatives."

A resolution of the Board of County Commissioners of Lane County, Oreg., favoring the appropriation of moneys for rehabilitation of the public grazing lands in the State of Oregon; to the Committee on Appropriations.

A resolution adopted by the Junior Chamber of Commerce of Glenwood Springs, Colo., favoring the administrative department of the Federal Government be urged to modify its recommendations to the Congress that the west divide project be included as part of the current Colorado River Basin Project Act; to the Committee on Interior and Insular Affairs.

The petition of Daryl M. Hanson, of Las Vegas, Nev., relating to the minority who voted against the Consular Treaty with the Soviet Union; ordered to lie on the table.

CONCURRENT RESOLUTION OF LEGISLATURE OF STATE OF IOWA

Mr. HICKENLOOPER. Mr. President, I present a concurrent resolution of the State of Iowa, which I ask may be appropriately referred, and printed in the RECORD.

There being no objection, the concurrent resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION 14

Whereas, federal interstate highways provide untold benefit to the social and economic welfare of both states and the nation and are an essential part of our national defense system; and

Whereas, the State of Iowa has for all practical purposes completed construction of Interstate 80 through the state but is experiencing delay in the construction of Interstate 35; and

Whereas, there has been considerable controversy and changing of plans over the routing of Interstate 35 north; and

Whereas, the State Highway Commission and the Federal Bureau of Public Roads have changed the routing of Interstate 35 from a point parallel to U.S. 69 north to a route diagonally eastward to a point just west of U.S. 65 and Mason City, Iowa; and

Whereas, this change in routing has caused considerable controversy between the State Highway Commission and property owners in the area of the diagonal and has been a matter of concern to all citizens of the state; and

Whereas, it is common knowledge that the change in plans will result in more expense in construction and maintenance than the original routing; and

Whereas, a greater majority of the citizens of the state would be served to a greater extent if the original routing were followed with the diagonal constructed from Garner, Iowa to Clear Lake, Iowa rather than as presently planned; and

Whereas, the State Highway Commission and Federal Bureau of Public Roads have refused to reverse their decision on constructing Interstate 35 parallel by passing Mason City; now therefore,

Be it resolved by the Senate, the House concurring, that the matter of constructing U.S. 35 in Iowa be brought to the attention of the Congress of the United States and that members of Congress give serious consideration to:

1. Reviewing the general policies of the Federal Bureau of Public Roads in regard to locating and constructing interstate highways within the states.

2. Comparing the policies followed in other states in locating and constructing interstates with the policies followed in the locating and constructing of Interstate 35 in Iowa.

3. Reversing the decision of the Federal Bureau of Public Roads in locating and constructing Interstate 35 in Iowa along the Mason City routing and so that the route will be parallel to U.S. 69.

Be it further resolved, that the Secretary of the Senate be instructed to forward a copy of this resolution to the following: The presiding officer of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Secretary of Commerce of the United States, the Chief Highway Administrator of the Federal Bureau of Public Roads, the Iowa delegation of the Senate and House of Representatives of the United States, and the chairman of the Iowa Highway Commission.

AL MEACHAM,
Secretary of the Senate.
WILLIAM R. KENDRICK,
Chief Clerk of the House.
ROBERT D. FULTON,
Lieutenant Governor of Iowa.
MAURICE E. BARINGER,
Speaker of the House.

The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of the State of Iowa, identical with the foregoing, which was referred to the Committee on Public Works.

RESOLUTION OF NEW MEXICO HOUSE OF REPRESENTATIVES

Mr. MONTOYA. Mr. President, the 28th legislature, first session, of the State of New Mexico is presently meeting in Santa Fe. The State house of representatives has adopted a memorial entitled "In Support of the Public Land Law Review Commission."

Mr. President, I ask unanimous consent that the resolution be printed in full at this point in the RECORD and that it be referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, as follows:

JOINT MEMORIAL IN SUPPORT OF THE PUBLIC LAND LAW REVIEW COMMISSION

Whereas, the Congress of the United States enacted Public Law 88–606 which became effective on September 19, 1964, and which provided for the creation of the Public Land Law Review Commission composed of a chairman, twelve members of Congress and six appointees of the President; and

Whereas, the primary function of this commission, which is assisted by an advisory council containing at least one appointee by every governor in this country, is to study all existing statutes and regulations governing the retention, management and disposition of the public lands of this Nation, to compile data and other information necessary to determine the various demands pertaining to the use of public lands which now exists and which will exist in the foreseeable future, and finally to make recommendations for any changes deemed necessary for such use; and

Whereas, the activities of this commission and advisory council constitute the first major and realistic effort to bring the public land laws of this country into some kind of meaningful relationship with modern land needs and usage; and

Whereas, the commission will make its final report and recommendations on this vast and important undertaking by December 31, 1968:

Now, therefore, be it resolved by the Legislature of the State of New Mexico that the official expression of support of this representative body be extended to the Public Land Law Review Commission and the significant work in which it is now engaged, and further, that the Congress of the United States be respectfully urged to adopt no recommendations for disposition, transfer, sale or any use-changes whatsoever of public lands until the work of the Public Land Law Review Commission is completed and its report and recommendations have been given the fullest consideration; and

Be it further resolved that copies of this memorial be transmitted to the President, the Secretary of the Interior, the Chairman of the Public Land Law Review Commission (the Honorable Wayne N. Aspinall, Senator from Colorado), the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the New Mexico Congressional Delegation.

Signed and sealed at the capitol, in the city of Santa Fe.

BRUCE KING,
Speaker of the House.
[SEAL]
E. LEE FRANCIS,
President of the Senate.

Attest:

ERNESTINE D. EVANS,
Secretary of State.

The PRESIDENT pro tempore laid before the Senate a resolution of the House of Representatives of the State of New Mexico, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.

RESOLUTION OF NEW MEXICO HOUSE OF REPRESENTATIVES

Mr. MONTOYA. Mr. President, the 28th legislature, first session, of the State of New Mexico, is presently meeting in Santa Fe. The State house of representatives has adopted a memorial entitled "Requesting the Congress of the United States of America to exempt trucks designated as 'farm trucks' by a State from the Federal highway use tax imposed by the Internal Revenue Code."

Mr. President, I ask unanimous consent that the resolution be printed in full at this point in the RECORD and that it be referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Finance, as follows:

JOINT MEMORIAL REQUESTING THE CONGRESS OF THE UNITED STATES OF AMERICA TO EXEMPT TRUCKS DESIGNATED AS "FARM TRUCKS" BY A STATE FROM THE FEDERAL HIGHWAY USE TAX IMPOSED BY THE INTERNAL REVENUE CODE

Whereas, the imposition of the Highway use tax on trucks used in the operation of a farm, ranch or similar agricultural pursuit is a severe financial burden on farmers and stockmen, and prevents their efficient operation by increasing the cost of hay, feed, supplies and marketing; and

Whereas, the welfare and the prosperity of the farmers and stockmen are a vital factor in the continued prosperity and welfare of the nation:

Now, therefore, be it resolved by the Legislature of the State of New Mexico that the Congress of the United States is requested to enact legislation exempting from the highway use tax imposed under 26 U.S.C. 4481 those trucks designated by state law as "farm trucks"; and

Be it further resolved that copies of this memorial be transmitted to the President of the United States Senate and the Speaker of the United States House of Representatives, and to the New Mexico delegation to the Congress of the United States.

Signed and sealed at the capitol, in Santa Fe, N. Mex.

BRUCE KING,
Speaker of the House.
E. LEE FRANCIS,
President of the Senate.
[SEAL]
ERNESTINE D. EVANS,
Secretary of State.

RESOLUTION OF NEW MEXICO HOUSE OF REPRESENTATIVES

Mr. MONTOYA. Mr. President, the 28th legislature, first session, of the State of New Mexico is presently meeting in Santa Fe. The State house of representatives has adopted a memorial entitled "Memorializing the Congress of the United States, to provide Federal financial assistance for domestic gold producers."

Mr. President, I ask unanimous consent that the resolution be printed in full at this point in the RECORD and that it be referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, as follows:

JOINT MEMORIAL MEMORIALIZING THE CONGRESS OF THE UNITED STATES, TO PROVIDE FEDERAL FINANCIAL ASSISTANCE FOR DOMESTIC PRODUCERS

Whereas, since 1934, domestic gold producers have been required to sell their product only to the Federal Government at the established price of thirty-five ($35) per ounce; and

Whereas, costs of producing this precious metal have continued to increase at an alarming rate reflecting the impact of inflation upon the economics of gold mining and milling operations with the result that virtually all gold producers in the United States have closed down their properties; and

Whereas, domestic gold production, which amounted to approximately five million ounces in 1940, has now dropped to an annual rate slightly in excess of one million five hundred thousand ounces while current domestic gold consumption for defense and space needs, industrial requirements, the arts and crafts, and dental use has rapidly risen to a significant rate of approximately six million five hundred ounces per annum, over three times our United States production rate; and

Whereas, the continuing outflow of gold and failure to solve our balance of payments deficit continues to be of ever greater national concern; and

Whereas, the disparity between domestic consumption and production imposes an additional substantial drain upon the monetary gold reserves of the United States; and

Whereas, Federal relief legislation revitalizing the United States gold mining industry could well end continuing substantial depletion of our monetary gold reserves to supply United States internal domestic gold consumption which should alleviate to some extent concern in foreign circles over our monetary policies; and

Whereas, such legislation to stimulate domestic gold production is definitely in the national interest:

Now, therefore, be it resolved, that the members of the Legislature of the State of New Mexico respectively request the Congress of the United States to provide Federal financial assistance payments to domestic gold producers to stabilize the few existing United States gold properties, to reopen dormant gold mines, and to encourage aggressive exploration for new gold ore reserves in this country; and

Be it further resolved that a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States and to each member of the Congress from New Mexico.

Signed and sealed at the capitol, in the city of Santa Fe.

BRUCE KING,
Speaker of the House.
[SEAL]
R. C. MOYER,
President of the Senate.

Attest:

ERNESTINE D. EVANS,
Secretary of State.

The PRESIDENT pro tempore laid before the Senate a resolution of the New Mexico House of Representatives, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CLARK, from the Committee on Labor and Public Welfare:

Genevieve Blatt, of Pennsylvania, to be an Assistant Director of the Office of Economic Opportunity.

By Mr. SPARKMAN, from the Committee on Banking and Currency:

Richard B. Smith, of New York, to be a member of the Securities and Exchange Commission for the remainder of the term of 5 years expiring June 5, 1967; and

Richard B. Smith, of New York, to be a member of the Securities and Exchange Commission for the term of 5 years expiring June 5, 1972.

BILLS INTRODUCED

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

By Mr. DIRKSEN (for himself and Mr. PERCY):

S. 1338. A bill providing for the designation of the gravesite and the ancestral home of Jane Addams in Cedarville, Ill., as national historical landmarks; to the Committee on Interior and Insular Affairs.

By Mr. HICKENLOOPER:

S. 1339. A bill for the relief of Capt. Donald D. Folkers; to the Committee on the Judiciary.

By Mr. KUCHEL:

S. 1340. A bill to designate a portion of the San Francisco-Stockton ship channel as the John F. Baldwin ship channel; to the Committee on Public Works.

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

By Mr. MONDALE (for himself, Mr. BURDICK, Mr. CLARK, Mr. HART, Mr. HARTKE, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY of Massachusetts, Mr. LONG of Missouri, Mr. MCCARTHY, Mr. NELSON, Mr. PROXMIRE, Mr. TYDINGS, and Mr. WILLIAMS of New Jersey):

S. 1341. A bill to amend the Federal Water Pollution Control Act in order to authorize comprehensive pilot programs in lake pollution prevention and control; to the Committee on Public Works.

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

By Mr. MONDALE (for himself and Mr. MCCARTHY):

S. 1342. A bill to provide for reimbursement for the city of Hastings, Minn., and Dakota County, Minn., for construction of flood protection walls along the Vermilion River, and for other purposes; to the Committee on Public Works.

By Mr. NELSON:

S. 1343. A bill to amend the Federal Water Pollution Control Act to establish standards and programs to abate and control water pollution by synthetic detergents; to the Committee on Public Works.

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

By Mr. FONG:

S. 1344. 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. YARBOROUGH (for himself and Mr. NELSON):

S. 1345. A bill to amend section 201 of the Agricultural Adjustment Act of 1938, as amended, in order to require the Secretary of Agriculture in certain cases to make complaint to the Interstate Commerce Commission with respect to rates, charges, tariffs, and practices relating to the transportation of farm products; to the Committee on Agriculture and Forestry.

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

By Mr. SMATHERS:

S. 1346. A bill for the relief of Dr. Elvira Rey de Garcia; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 1347. A bill to establish a Federal Council of Health which will have the responsibility of fixing a coherent set of national health goals for the United States; to the Committee on Labor and Public Welfare.

S. 1348. A bill authorizing the Great Lakes Commission to appoint a member of a river basin commission for the Great Lakes-St. Lawrence River Basin, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. JAVITS when he introduced the above bills, which appear under separate headings.)

By Mr. JAVITS (for himself and Mr. KENNEDY of New York):

S. 1349. A bill to provide for an additional payment of $40,000 to the village of Highland Falls, N.Y., toward the cost of the water filtration plant constructed by such village; to the Committee on the Judiciary.

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

By Mr. SCOTT (for himself and Mr. CLARK):

S. 1350. A bill to provide for the establishment of one or more national cemeteries in the State of Pennsylvania; to the Committee on Interior and Insular Affairs.

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

By Mr. MORSE (for himself and Mr. HATFIELD):

S. 1351. A bill to provide for the payment of reasonable costs, expenses, and attorneys' fees to defendants in actions by the United States for the condemnation of real property after determination of the amount of just compensation, or after abandonment of such actions by the United States, and for other purposes; to the Committee on the Judiciary.

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

By Mr. SPARKMAN (by request):

S. 1352. A bill to authorize adjustments in the amount of outstanding silver certificates, and for other purposes; to the Committee on Banking and Currency.

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

By Mr. GRIFFIN (for himself, Mr. BENNETT, Mr. CURTIS, Mr. DOMINICK, Mr. FANNIN, Mr. LAUSCHE, Mr. PERCY, and Mr. THURMOND):

S. 1353. A bill to amend title 28 of the United States Code, "Judiciary and Judicial Procedure," and incorporated thereon provisions relating to the U.S. Labor Court, and for other purposes; to the Committee on the Judiciary.

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

By Mr. HARTKE:

S. 1354. A bill for the relief of Dr. Bong Oh Kim; to the Committee on the Judiciary.

By Mr. METCALF:

S. 1355. A bill to repeal the provisions of the Federal Power Act which exempt from Federal Power Commission regulations the issuance of securities by public utilities subject to certain State regulation; to the Committee on Commerce.

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

CONCURRENT RESOLUTION

TO PROVIDE EARLY APPROPRIATIONS FOR FEDERAL EDUCATIONAL PROGRAMS

Mr. McGOVERN submitted a concurrent resolution (S. Con. Res. 19) to provide early appropriations for Federal educational programs, which was referred to the Committee on Labor and Public Welfare.

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

RESOLUTIONS

EXPRESSION OF SENSE OF THE SENATE ON SENDING DRUM AND BUGLE CORPS ABROAD

Mr. NELSON submitted a resolution (S. Res. 97) to express the sense of the Senate on sending drum and bugle corps units abroad under the provisions of the Mutual Education and Cultural Exchange Act of 1961, which was referred to the Committee on Foreign Relations.

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

PRAYER IN PUBLIC SCHOOLS

Mr. HARTKE submitted a resolution (S. Res. 98) relative to school prayer, which was referred to the Committee on the Judiciary.

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

JOHN F. BALDWIN SHIP CHANNEL

Mr. KUCHEL. Mr. President, I introduce a bill to designate a portion of the San Francisco to Stockton deepwater ship channel as the John F. Baldwin ship channel.

Mr. President, similar pieces of legislation are pending in the House of Representatives. Today our colleague, Representative WILLIAM S. MAILLIARD, of San Francisco, and I, in introducing this legislation, now wish simply to recall with great respect the life and the public service of the late John F. Baldwin, Representative in Congress from California.

Throughout his years in the House, our beloved late colleague zealously advocated navigation improvements, promoted waterborne commerce, and sought to realize maximum benefits from natural resources. He was especially devoted to championing the fullest utilization and widest enjoyment of facilities offered by San Francisco Bay and its tributaries. The deepwater channel received his unstinting support year after year because he wisely appreciated what it means to economic advancement and well-being for an extensive section of California.

The channel should be an eternal monument to his vision and ceaseless labor. Authorized after several years of strenuous endeavor by him, the new and modified facilities and improvements for trade and recreation will pay immeasurable dividends for decades to come and benefit several counties in a growing area of our State.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The bill will be received and appropriately referred.

The bill (S. 1340) to designate a portion of the San Francisco-Stockton ship channel as the John F. Baldwin Ship Channel, introduced by Mr. KUCHEL, was received, read twice by its title, and referred to the Committee on Public Works.

AMENDMENT OF FEDERAL WATER POLLUTION CONTROL ACT

Mr. MONDALE. Mr. President, I introduce, for appropriate reference, on behalf of myself and Senators BURDICK, CLARK, HART, HARTKE, JACKSON, JAVITS, KENNEDY of Massachusetts, LONG of Missouri, McCARTHY, NELSON, PROXMIRE, TYDINGS, and WILLIAMS of New Jersey, a bill to amend the Federal Water Pollution Control Act. This bill authorizes the Secretary of Interior to award grants to and contract with State or local agencies for comprehensive pilot programs for the improvement and revitalization of our Nation's lakes through prevention, removal, and control of pollution, both manmade and natural.

Mr. President, early this year I received a letter from a constituent who lives along the shores of a beautiful lake in northern Minnesota called the Big Grand. She wrote:

> We have made this our year round home since 1963, but we, and my husband's family before us, have had a summer home here for more years than I care to think about. We are getting more distressed every year to see our beloved lake turning into a marsh.

Thus another lake is losing a mortal battle.

Within many States, lakes—glittering gems refreshing to the eye, attractive to vacationers, sometime essential to the economies of nearby cities—are dying. The death of a lake, either by pollution or siltation, means, at the least, less pleasant lives for those who live around

it or who use it for recreation. In many cases, it can mean financial disaster to the towns and cities whose economic well-being is dependent upon it.

The news media record the slow death of a great lake like Erie, yet hundreds of smaller lakes are losing the same battle. Death comes slowly, often nearly unnoticed as the water becomes suffused with pollutants; algae turns the water a slimy green. Swimmers avoid contact with it, fish die, boat propellers become snarled in the growth. Weeds begin their insidious growth in the sludge. A clear, cool lake becomes a fetid swamp.

Mr. President, it took nature thousands of year to create a lake; many will be dead in decades if action is not taken now. Uncounted numbers of the 100,000 lakes in this Nation are suffering from manmade pollution, smothering to death in organic waste and untreated poisons. Others are filling up with silt, the result of soil erosion that in many instances was accelerated when man changed the topography of the land.

My State, known as the "Land of 10,000 Lakes," is deeply concerned with the problem. But so are many other States, as the cosponsors of this bill will attest.

Within the past few years, the Federal Government has taken the first steps to control manmade pollution, enacting a water pollution control program in 1956, strengthening it in 1961, and in 1965 Congress enacted the Water Quality Act.

But as yet there is no program of Federal assistance to the States for the full-scale cleaning of polluted lakes, and the States are financially unable to bear the entire burden.

Further, there is only limited Federal assistance available to prevent pollution due to natural causes, such as silt carried by the wind, or erosion of soil from hillsides.

There is no Federal assistance available for a direct attack on the problem of silting, such as the dredging of the sludge and harvesting of the aquatic growth.

There is a pressing need for extensive experimentation and research on the most feasible and economical tools and systems of cleaning lakes and of controlling the various kinds of pollution. Our current research and corrective measures are not keeping pace with the growth of the problem.

This bill would authorize the Secretary of Interior to award grants to or contract with a State, municipal, or intermunicipal agency to finance 90 percent of the cost of pilot projects designed to develop new or improved methods or materials for the prevention, removal, and control of pollution and siltation from lakes. The bill authorizes an appropriation of $5,000,000 for this purpose. Ninety percent Federal financing has been specified because of the experimental nature of this program. With the eventual establishment of a broad general program of Federal matching funds, I believe that the Federal contribution would be reduced to 75 percent to conform to the other programs under the Federal Water Pollution Control Act.

I want to emphasize that the bill also specifies that funds will not be released by the Secretary of Interior until he is assured that the State or local government involved will maintain the water purity level of the lake after the initial project is completed.

Mr. President, I believe prompt action is essential if we are to rescue our dying lakes. Man has done great damage to many of them. We must turn the tide from the present destruction to a demonstration that lakes can be saved.

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

The bill (S. 1341) to amend the Federal Water Pollution Control Act in order to authorize comprehensive pilot programs in lake pollution prevention and control introduced by Mr. MONDALE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

THE DETERGENT POLLUTION CONTROL ACT OF 1967

Mr. NELSON. Mr. President, I introduce, for appropriate reference, a bill, the Detergent Pollution Control Act of 1967, which is aimed at curbing water pollution caused by the various constituents of detergents.

We have been waging a campaign for several years against detergent pollution. We have made considerable progress, but the problem is not yet solved.

In 1963, I cosponsored a bill directing the Secretary of Health, Education, and Welfare to set standards which would have to be met by all detergents sold in America. The bill passed the Senate but final action was deferred when the industry began a voluntary changeover to a new chemical which it claimed would not pollute our water supplies.

The problem at that time was that the detergents contained a chemical known as ABS. ABS resisted breakdown in treatment plants and household septic tanks.

Thus, detergent chemicals, only partly decomposed, passed through our municipal sewage disposal plants and into our lakes and streams. These surface water supplies began to foam.

Detergent chemicals also passed through household septic tanks, worked their way into underground water supplies and began to contaminate wells.

This foam was not only a serious blight on many of our recreational resources but also it was shown in certain instances to be highly dangerous.

The soap and detergent industry worked hard on this problem and produced a new "soft" detergent chemical known as LAS which was to replace ABS. Impressive claims were made as to biodegradability of this new product, LAS. The Soap and Detergent Association stated that it was highly degradable both in sewage disposal plants and in household septic tanks.

In 1965, I stated that the new product, LAS, did not appear to be the final answer to the problem of detergent pollution, and I introduced a new detergent control bill. This bill would have established a national advisory committee of experts from business, government and science. They were to study the detergent pollution problem and recommend standards for detergents which would protect the public interest in fresh water.

At that time I pointed out that there was some question as to exactly how degradable LAS really was in typical household septic tanks. Further, there was some doubt as to whether this chemical was fully degradable in municipal sewage disposal plants where the aeration time had to be reduced to some short period, such as 3 hours, because of the heavy demands on the system.

As a result we still do not know for certain how thoroughly even the new detergents decompose under various circumstances. We do know that certain ingredients in detergents—such as phosphates—create a problem in that they fertilize our lakes and stimulate the growth of undesirable algae.

The new soft detergents have effectively cut down the unsightly mounds of foam in our lakes and streams, but evidence presented last spring by the Robert A. Taft Sanitary Engineering Center indicated that they are considerably more toxic to fish.

The Taft Center research showed that the new chemical, LAS, may well be increasing the detergent pollution problem in communities which are not served by modern sewage treatment plants. About two-third of the Nation's population falls in this category.

The research further showed that this chemical, when not broken down by a modern treatment plant, is considerably more toxic to fish than the old detergent.

It appears that LAS, in amounts of less than two parts per million, affects the ability of fish to reproduce, and that much smaller amounts prevent eggs from hatching normally. Repeated exposure to the chemical tends to make fish even more sensitive to it.

The bill I am introducing now presents a comprehensive approach to the problem of detergent pollution. The bill provides money for research by both public and private agencies and organizations to develop synthetic detergents which will break down readily and will not impair the efficiency of sewage treatment processes and whose residues will not be toxic or harmful to fish or plant life. Research will also be directed toward improving existing sewage treatment processes and developing new ones.

Under this bill, a technical committee under the direction of the Secretary of the Interior will develop standards of biodegradability, decomposibility and water eutrophication ability which must be met by all detergents. These standards will apply to all constituents of synthetic detergents regardless of their chemical nature or function in the detergent.

The Secretary of the Interior is directed to report to Congress on or before January 1, 1969, on measures taken toward the resolution of the synthetic detergent problem and to make recommendations for new legislation if necessary.

Rules and regulations which are necessary to prevent the transportation or sale in interstate commerce of synthetic detergents not meeting the standards established by the committee and ap-

proved by the Secretary of the Interior shall take effect on July 1, 1969.

As I have pointed out, the need for this kind of bill has evolved over the past 5 or so years. During this time we have accumulated a great deal of knowledge not only about synthetic detergents themselves but also about how they behave and the problems they cause. The time has come to establish standards for detergents which will serve to protect our waters from the pollution caused by these chemicals.

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

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

The bill (S. 1343) to amend the Federal Water and Pollution Control Act to establish standards and programs to abate and control water pollution by synthetic detergents, introduced by Mr. NELSON, was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

S. 1343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Detergent Pollution Control Act of 1967".

DECLARATION OF POLICY AND PURPOSE

SEC. 2. The Congress finds and declares that the surface and ground waters in the United States are being seriously polluted and degraded by the continuing discharge into such waters of synthetic detergents whose components decompose slowly or not at all; and that to abate and control the pollution and degradation of surface and ground waters in the public interest, it is necessary to insure that the components of synthetic detergents which are offered for introduction or delivery into interstate commerce in the United States, or imported into the United States, and which may eventually be discharged into such waters, not cause or contribute to the pollution or degradation of such waters.

SEC. 3. The Federal Water Pollution Control Act is amended by redesignating section 19 as section 20 and by inserting after section 18 a new section as follows:

"SYNTHETIC DETERGENTS

"SEC. 19. (a) For the purposes of this Act, the term 'synthetic detergent' means a cleaning compound composed of inorganic and synthetic organic components, including surface active agents, water softening agents, builders, dispersing agents, corrosion inhibitors, foaming agents, buffering agents, brighteners, fabric softeners, dyes, perfumes, and fillers, which is available for household, personal, laundry, industrial and other uses in liquid, bar, spray, flake, or powder form.

"(b) The Secretary shall encourage and assist research and development by public and private agencies and organizations to develop (1) synthetic detergents which will substantially decompose or degrade in municipal, industrial, household, and other sewage treatment processes without impairing the efficiency of such processes, and whose decomposition or degradation residues will not pollute surface and ground waters receiving effluent from such processes; will not be toxic to, or threaten or interfere with the conditions of survival of, fish and other animal and plant life living in or using such waters; and will not encourage the growth of algae and other undesirable aquatic plants; (2) improved or new sewage treatment processes, including improvement in existing processes, which have an improved capacity for decomposing or degrading existing or new detergents under normal operating conditions.

"(c) The Secretary shall establish standards of biodegradability, decomposibility, and water eutrophication ability which must be met by all synthetic detergents, according to the procedures prescribed herein.

"(d) (1) For the purpose of developing these standards, the Secretary shall appoint a technical committee whose membership shall consist of an equal number of representatives of (A) the Department of Health, Education, and Welfare, (B) the synthetic detergent manufacturing industry, and (C) independent and recognized consultants engaged in the field of detergent evaluation and testing.

"(2) Members of such technical committee who are not regular full-time employees of the United States shall, while attending meetings of such committee or otherwise engaged on business of such committee, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding $100 per diem, including traveltime, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently.

"(e) (1) The standards of decomposability and biodegradability recommended by such committee shall be based on tests which truly simulate the operation of (A) municipal and industrial sewage treatment processes employing either primary or primary and secondary treatment with a practical and typical retention time in order to predict the concentration of undegraded or undecomposed synthetic detergent which would enter the waters receiving the effluent from such processes; (B) household sewage treatment processes such as the septic tank with a practical and typical retention time in order to predict the concentration of undecomposed or undegraded synthetic detergent which would enter the waters receiving the effluent from such treatment processes; (C) new or improved sewage treatment processes for municipal, industrial, and other uses, including improvements in existing treatment processes, under normal operating conditions in order to show the concentration of undecomposed or undegraded synthetic detergent which would enter waters receiving the effluent from such processes.

"(2) The standards of water eutrophication ability recommended by such committee shall be based on algal growth studies in basal media containing a synthetic detergent, and also each of the individual components of synthetic detergents. Such tests and studies shall be conducted on the final formulation of the synthetic detergent supplied to the consumer.

"(f) There is authorized to be appropriated to the Secretary for the fiscal year beginning July 1, 1967, and for each of five subsequent fiscal years, $5,000,000 for carrying out the provisions of this section.

"(g) On or before January 1, 1969, the Secretary shall (1) report to the Congress on measures taken toward the resolution of the synthetic detergent problem, including the development and manufacture of new types of synthetic detergents, and new or improved sewage treatment processes which affect this problem, and the development of the tests, studies, and standards prescribed herein; and (2) make recommendations for additional legislation, if necessary, to regulate the composition of synthetic detergents in order to abate and control pollution arising from their manufacture, sale, and use.

"(h) (1) When such technical committee has recommended standards of decomposibility, degradability, and water eutrophication ability, and has certified to the Secretary that a synthetic detergent conforming to the standards is generally available to the manufacturers of such products, the Secretary may, if he concurs in the findings of the committee and, after providing an appropriate opportunity for comments on such proposed standards, promulgate such standards and establish such rules and regulations as are necessary to prevent the transportation or sale in interstate commerce of synthetic detergents not meeting the standards. Such rules and regulations shall take effect on July 1, 1969, or six months after the issuance of such rules and regulations, whichever is later.

"(2) The Secretary and the Secretary of the Treasury shall jointly promulgate rules and regulations that prohibit the importation of any synthetic detergent which fails to meet the standards of decomposibility, biodegradability, and water eutrophication ability, as established herein.

"(3) Any person who willfully violates any provision of rules and regulations established pursuant to this subsection shall be guilty of a misdemeanor and upon conviction thereof shall be subject for the first offense to a fine of not more than $500, and for any subsequent offense to a fine of not more than $2,000.

"(i) All action taken under this section for the adoption of standards and the promulgation of rules and regulations shall be taken in conformity with the provisions of title 5 of the United States Code relating to administrative procedure."

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT TO CLARIFY RESPONSIBILITY OF SECRETARY OF AGRICULTURE WITH REGARD TO DISCRIMINATORY FREIGHT RATES ON TRANSPORTATION OF FARM PRODUCTS

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill to require the Secretary of Agriculture to make complaint to the Interstate Commerce Commission upon the written request of 20 or more persons who certify that they are being damaged by discriminatory rates, charges, tariffs, or practices relating to the transportation of farm products. The Secretary shall make the complaint and prosecute it before the Commission, unless he finds that the request of such persons is unreasonable or frivolous.

This bill is identical to S. 3657 of the 89th Congress, which I introduced on July 27, 1966. At that time I pointed out that section 201(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291(a)) already gives the Secretary of Agriculture authority to make complaint to the Interstate Commerce Commission with respect to rates, charges, tariffs, and practices relating to the transportation of farm products, and to prosecute such complaints before the Commission. Unfortunately, this is an authority which successive Secretaries of Agriculture have not used.

One of the most valuable potential merits of this authority is the protection of small farmers and other small agricultural producers who are being damaged as a result of discriminatory freight rates. It costs a lot of money to prosecute a case before the ICC and small agricultural producers who are being hurt by discriminatory freight

rates frequently cannot afford the expense. They are caught on the horns of a dilemma: If nothing is done to ease the discriminatory burden, they will be forced out of business; yet they cannot afford the great expense involved in a case before the ICC, the appeals in the courts, and so forth.

Therefore, Congress gave the Secretary of Agriculture the authority to help out these little people who do not themselves have the resources to carry on a legal battle against the giant railroads and other carriers.

But what has happened in the 28 years since the passage of this act? The answer, amazingly enough, is that the authority has only once been used. It has been used, only once, and that was a case back in the 1950's.

There has been more than one case in which it should have been used. The very nature of the system makes it inevitable that there will be cases of discrimination. We have a vast country, which is broken up historically, geographically, and economically into regions which frequently compete with one another economically. This is fine and good; competition is at the heart of the American ideal. But it should be fair competition, which should proceed according to rules of fair play.

The second element of the system is the existence of millions of small farmers and a few giant railroads. One small farmer is not very important to the railroad, and the disparity of power is such that a railroad can easily afford to disregard the demands of the small farmer. Moreover, if the farmer were to go himself before the ICC and request relief he could not match the economic resources of the railroad. Most farmers could not afford to file suit in the first place.

One thing which can happen is that, for one reason or another, freight rates in one region of the country are lowered. This gives producers in that region an economic advantage over their competitors in other regions. If producers in the other regions cannot compel their railroads to grant competitive rate reductions, they must labor under a great handicap.

It may seem to be in the economic interest of the railroads to match the rates of their competitors. But this is not necessarily so. Rate structures are so complicated that there are a whole host of reasons why a railroad might not voluntarily meet another's rate reduction. But such a situation is inimical to the health of the region, and in the context of our national economy, to the health of the country. It is in the interest of the whole country that a region should not die.

From the point of view of the railroad, which serves more than one small region, and which has many other interests to protect, the importance of saving a region from dying may not be a high priority item, at least not high enough to cause it to lower its rates.

Public action is necessary. Wise public policy demands that the Government intervene. Therefore the Secretary of Agriculture was given this authority, to be used for the public good, to assist people who were economically too weak to go by themselves up against the giant railroads. But in 28 years the authority has been used only once.

It is obvious that Congress needs to spell out the Secretary's responsibility to act because the Department of Agriculture during the past 28 years has apparently felt no responsibility. Its power has lain dormant.

Therefore, on behalf of myself and the Senator from Wisconsin [Mr. NELSON], I am today introducing legislation which will more explicitly define the intent of Congress that this congressionally granted power shall be used and not merely be an ornament to gather dust in the back pages of the Agriculture Department Library.

My bill reads as follows:

Upon the written request of twenty or more persons who certify that they are being damaged by discriminatory rates, charges, tariffs, or practices relating to the transportation of farm products, the Secretary shall, as soon as practicable, make complaint to the Interstate Commerce Commission with respect thereto and shall prosecute the same before the Commission, unless he finds that the request of such persons is unreasonable or frivolous.

I hope that the Senate Agriculture Committee will give early consideration to the proposal.

The PRESIDING OFFICER (Mr. NELSON in the chair). The bill will be received and appropriately referred.

The bill (S. 1345) to amend section 201 of the Agricultural Adjustment Act of 1938, as amended, in order to require the Secretary of Agriculture in certain cases to make complaint to the Interstate Commerce Commission with respect to rates, charges, tariffs, and practices relating to the transportation of farm products, introduced by Mr. YARBOROUGH (for himself and Mr. NELSON), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

FEDERAL COUNCIL OF HEALTH

Mr. JAVITS. Mr. President, I send to the desk, for appropriate reference, a bill to establish a 12-member Federal Council of Health within the Executive Office of the President.

Duties of the council members, appointed by the President for the 3-year terms, would include:

First. Making recommendations and continuous evaluation of policies and programs related to the Nation's health, including disaster planning;

Second. Initiating, studying, and developing measures designed to assure the provision of adequate health manpower, services, and facilities, and to moderate the rising trend in the cost of medical care;

Third. Advising and consulting with Federal departments and agencies, including the Budget Bureau, on policies and programs concerned with health services, manpower, and facilities.

A major concern of American families today is the accelerating cost of health services, which have risen considerably faster than consumer prices generally, and the increasing difficulty in obtaining the health services desired. While physicians' fees have risen twice as fast as the cost of living, the Nation has actually seen a decline in the number of family physicians such as general practitioners, pediatricians, and internists. In addition, as the President himself pointed out last year, one-third of the Nation's hospital capacity is outmoded and outdated.

There can be no other conclusion than that the Nation is facing a major health crisis as medical costs increase and health facilities fail to keep pace with population growth, scientific advances, and the increasing ability of Americans to avail themselves of health care.

The Federal Council on Health which my bill proposes could bring together the findings and recommendations of the various Federal ad hoc groups on such subjects as health manpower and medicare prices and the health planning groups in the States, and make findings and recommendations of its own so that the Nation can adequately meet the health care crisis coming upon us.

This measure would bring into being the recommendations of the Task Force on Federal Medical Services of the Second Hoover Commission, which have been ignored for 12 years. While temporary, short-term groups such as Presidential commissions, ad hoc committees and interagency committees have been created to deal with specific problems in the health field, none of these groups has had the scope or power of the recommended Federal Council of Health.

My proposal would also carry into effect recommendations made by the Department of Health, Education, and Welfare in its recent report to the President on medical care prices. The report called for a Presidential commission "to review all Federal programs for the construction, expansion, and modernization of health and medical facilities and to advise him on the future direction and scope of such programs and their potential role in moderating the rising trend in the cost of medical care."

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

The bill (S. 1347) to establish a Federal Council of Health which will have the responsibility of fixing a coherent set of national health goals for the United States, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, I ask unanimous consent that there be included as a part of my remarks at this point the full text of the recommendations for a Federal Council of Health by the Task Force on Federal Medical Services of the Commission on Organization of the Executive Branch of the Government—the Hoover Commission.

There being no objection, the full text of the recommendations was ordered to be printed in the RECORD, as follows:

CHAPTER II: A FEDERAL COUNCIL OF HEALTH

There is a general absence of coordinated planning and operation of the widely dispersed health activities of the Federal Government. Moreover, Government agencies fail to relate these activities to the Nation's total health efforts. The validity of these observations is well recognized. They have

been made by a number of governmental commissions and other groups who have carefully studied the many facets of the health problems of the Nation. The seriousness of their import compels their reiteration here.

In large measure these circumstances exist because the responsibility for the recommendation of overall Federal policies relating to the conduct of health activities is not fixed in any unit of the executive branch. Consequently there are no such overall policies. Excessive duplication of programs, facilities, and personnel ensue for lack of policy. Not only do such excesses impair the economic and efficient operation of the Federal health activities, they also place unreasonably heavy claims upon the Nation's total health economy.

As a consequence of our studies, we have made numerous recommendations. In many ways our recommendations, however, can be put into lasting effect only if they become the explicit responsibility of a permanent council. We clearly see the need for a council that can and will have at its disposal a convincing and growing mass of factual information, provide continuity and consistency in the advice and criticism it offers, be free from the preoccupations and suspicions of an operating agency, and yet possess a status sufficient to avoid having its advice easily ignored or overridden.

Federal activities constitute so substantial a portion of the total national health resources that the demands of the Federal health services can scarcely be met. We find it of fundamental importance in order (*a*) to attain economic and efficient operation of the Federal health activities, (*b*) to utilize effectively the Nation's health resources, and (*c*) to prepare medically for national defense, that there be created an agency within the executive branch charged with the responsibility for formulation and continuous evaluation of policies for the conduct of Federal health activities and the recommendation of overall policy.

These objectives may be reached through three possible methods. The first is to place substantially all of the health activities in a single department of cabinet rank and charge this department with the responsibility of policy formulation. The task force rejects this solution. In arriving at this conclusion we differ from that reached by the first Hoover Commission for a United Medical Administration which would have encompassed this method.[1]

Since 1948 there have been basic changes in the organization of the Federal medical services. The Department of Health, Education, and Welfare has been created. The Department of Defense has been created from the National Military Establishment; and a position of Assistant Secretary of Defense (Health and Medical) has been established. In the Veterans' Administration, the Department of Medicine and Surgery has been given much broader authority. Both executive policy and legislative action have been in the direction of strengthening these centers of medical service.

We find that the mission of health activities in the Department of Defense is sufficiently different from the missions of health activities in the Department of Health, Education, and Welfare and the Veterans' Administration to warrant their continued separation. We further believe that the accomplishment of the Defense health mission, which is not only primarily but inextricably related to the provision of technical support to military operations, would be seriously hampered, if not jeopardized, by such a merger. In view of these circumstances we believe that the real need today is the development of an instrument to coordinate policy, rather than an integration of services in a single agency.

The second method is to permit the present decentralized administration of health activities to continue but to assign a staff responsibility for policy formulation for the entire Federal Government to a cabinet officer of an appropriate department. The task force is of the firm conviction that such an assignment would not accomplish the desired result. We believe that no officer of an operating agency could long remain sufficiently detached from the problems and activities of his own department to permit him to view objectively policy matters concerning other agencies, both military and civilian.

The third possibility is to place this function in the Executive Office of the President. We favor this solution. Two established units within this office might conceivably serve this function: The Bureau of the Budget and the Office of Defense Mobilization. Both now engage in operations having some relationship to health activities.

As to the Bureau of the Budget, we feel that the function of broad policy formulation is substantially if not wholly alien to its present activities. This Bureau is primarily concerned with the management evaluation and fiscal control of Government agencies and operations. Since 1949 both the Congress and the President have extended the Bureau's authority and functions in the field of organization and management of the executive branch.[2] Moreover the authority to establish budgetary reserves was added by the Omnibus Appropriation Act of September 6, 1950. In the view of the executive and legislative branches of Government these areas apparently are the proper province of the Bureau.

These functions are so contrasting if not actually antithetical to those concerned with the formulation of health policy that no one agency could effectively perform both. The assumption of such a role would, in our view, unbalance the present alinement of function and activities of the Bureau. It would give the Bureau a policy role in the field of health that it does not possess for any other activity of Government.

For these reasons this task force does not believe that responsibility for the formulation of health policy should be placed in the Bureau of the Budget.

As between the Bureau of the Budget and the Office of Defense Mobilization, we favor placement of this function in the latter agency for the following reasons:

1. The experience of the Health Resources Advisory Committee, operating within the Office of Defense Mobilization, has demonstrated that certain Government-wide policy formulation relating to health can be successfully accomplished in this setting.

2. The Office of Defense Mobilization has representation, through its Director, on the National Security Council. This would permit realistic policy formulation with respect to matters pertaining to the national defense.

We recognize that placement of this function in the Office of Defense Mobilization also has limitations. It was established in the Executive Office of the President to improve the organization of that Office and to enable a single agency of that Office to exercise leadership in our mobilization effort, including current defense activities and preparedness for future national emergencies.[3] While health is related to some of these functions, it is neither the sole nor a major concern of this agency. We feel that the envisioned health functions are far too important to be cast lightly about in search of a convenient rather than a realistic situs. This function belongs in the Executive Office of the President, and if it is to be given to any existing agency, the task force believes it can best be given to the Office of Defense Mobilization.

The task force is well aware that much work which has been independently and severally conducted by a number of Federal agencies in the field of health has been highly competent. In fact some of such work has been particularly ouststanding. The criticism which the task force has addressed to the lack of coordinated planning and operation with respect to the health activities of the Federal Government, and particularly to the relationship that such activities have to the total health needs of the Nation, is not intended to reflect on nor does it relate to the competence and devotion of many of the highly skilled scientists in this field.

Some idea of what may be accomplished through coordinated policy formulation is readily gleaned from the experience of the Health Resources Advisory Committee. That Committee, a civilian group, was appointed in 1950 at the suggestion of the President to advise the Chairman of the National Security Resources Board and to make recommendations to him in the entire field of health resources essential in a national emergency. When the functions of the National Security Resources Board were transferred to the Office of Defense Mobilization, the Health Resources Advisory Committee was also placed in the new agency. This committee carries a number of broad responsibilities, including review of quotas of the Defense Department for physicians, dentists, nurses, and veterinarians, acting as the Advisory Committee to the Selective Service for the purposes of the Doctor-Draft Law, and serving as arbiter for the national blood program which cuts across the areas of interest of a number of agencies.

We recommend that a Federal Council of Health be established, that membership on the Council be limited to approximately 10 persons of distinguished competence in the health field as broadly defined, and that their general responsibilities would include:

(1) To make recommendations and continuous evaluation of policies and programs related to the Nation's health, including disaster planning;

(2) To initiate, study, and develop measures designed to assure the provision of adequate manpower, services, and facilities for the Nation's health, including their mobilization, allocation, and utilization;

(3) To evaluate studies and surveys made by or concerned with the Federal departments and agencies in relation to the Nation's health needs and resources;

(4) To advise and consult with Federal departments and agencies, including the Bureau of the Budget, on policies and programs concerned with health services, manpower, and facilities;

(5) To advise the Selective Service System and coordinate the work of State and local volunteer advisory committees on the selection for service in the Armed Forces of medical, dental, and allied specialists;

(6) To report to the President on such matters as the President may request.

The members of the Council should be appointed for terms of fixed duration, with the possibility of reappointment. Our feeling is that the terms of the members should be staggered in such fashion as to provide continuity of operations, and the maintenance of high interest.

THE TASK FORCE RECOMMENDS

That legislation be enacted to establish within the Executive Office of the President

[1] Commission on Organization of the Executive Branch of the Government, Medical Activities, a Report to the Congress, March 1949, Recommendation No. 1.

[2] Budgeting and Accounting Procedures Act of 1950 (31 U.S.C. Sup. 18a, 18b); Rev. Stat., sec. 3679 as amended (31 U.S.C. 665); Classification Act of 1949 (5 U.S.C. Sup. 1151); and Executive Order 10072 of July 29, 1949.

[3] See Reorganization Plan No. 3 of 1953, 67 Stat. 634.

a Federal Council of Health charged with the recommendation and continuous evaluation of policy governing the health activities of the Federal Government.

GREAT LAKES BASIN COMPACT

Mr. JAVITS. Mr. President, I send to the desk, for appropriate reference, a bill to amend the Water Resources Planning Act of 1965.

This measure would grant specific consent to the Great Lakes Commission, the operating entity of the Great Lakes Basin Compact, to participate in the Great Lakes River Basin Planning Commission, which will be established under the provisions of Public Law 89–80, the Water Resources Planning Act. Under the existing provisions of that act, no interstate body can participate in planning operations unless they are the creature of a congressionally approved compact. The purpose of my bill is to avoid the necessity of this congressional approval—which not all member States are willing to seek—while still allowing the Commission to participate in the Federal program.

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

The bill (S. 1348) authorizing the Great Lakes Commission to appoint a member of a river basin commission for the Great Lakes-St. Lawrence River Basin, and for other purposes, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

HIGHLAND FALLS REIMBURSEMENT

Mr. JAVITS. Mr. President, on behalf of my colleague, Senator KENNEDY of New York, and myself, I introduce, for appropriate reference, a bill to provide a payment of $40,000 to the village of Highland Falls, N.Y., toward the cost of a water filtration plant constructed in 1954.

Because of the location of the U.S. Military Academy at West Point, which is adjacent to Highland Falls, the turbidity of the water supply in the area was increased, necessitating the construction of a water filtration plant 13 years ago. Initially, the Federal Government conveyed land for the plant, and authorized the payment of $85,000 toward the project. Total construction costs, however, were $250,000, considerably higher than had been anticipated. Legislation to provide a larger Federal contribution was first introduced in the 83d Congress and has twice been passed by the House. I hope this year that Congress will act to discharge this longstanding obligation to the people of Highland Falls.

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

The bill (S. 1349) to provide for an additional payment of $40,000 to the village of Highland Falls, N.Y., toward the cost of the water filtration plant constructed by such village, introduced by Mr. JAVITS (for himself and Mr. KENNEDY of New York), was received, read twice by its title, and referred to the Committee on the Judiciary.

MORE NATIONAL CEMETERIES IN STATE OF PENNSYLVANIA

Mr. SCOTT. Mr. President, one of the problems of deepest concern to the veterans of our Commonwealth is the lack of national cemetery space in Pennsylvania.

Aware of this situation, and hopeful of being of assistance, I am today introducing corrective legislation to authorize and direct the Secretary of the Army to establish one or more national cemeteries in Pennsylvania. Locations are to be considered in the vicinity of Valley Forge Park and Brandywine Battlefield Park in eastern Pennsylvania, Indiantown Gap Military Reservation, and Boalsburg Memorial Park in central Pennsylvania, and Bushy Run Battlefield Park in southwestern Pennsylvania. Senator CLARK joins me in this effort.

As you know, Mr. President, tight restrictions on eligibility for burial have now gone into effect at Arlington National Cemetery. The Department of Defense has announced that it will reopen Beverly National Cemetery in New Jersey to an additional 600,000 burials—but not until 1968.

Our need in Pennsylvania is critical, and now. Since the closing of Beverly Cemetery last February, the United Veterans Council of Philadelphia and the Veterans Advisory Commission have reported more than 650 inquiries by families interested in national cemetery interment. This figure represents only the Philadelphia area. For the entire State of Pennsylvania, it is estimated that there will be 30,000 deaths among the veteran population this year alone. If the dignity of national cemetery burial is not to be denied, action must be taken.

When Americans serve their country in military uniform, whether in Vietnam or elsewhere, they are expected to give the last full measure of devotion and, where necessary, to make the supreme sacrifice in the defense of our national commitments. To deny these veterans the last full measure of honor bestowed by the Nation which they served, is a neglect of the greatest magnitude. This bill offers an opportunity to meet this obligation. I urge its favorable consideration.

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

The bill (S. 1350) to provide for the establishment of one or more national cemeteries in the State of Pennsylvania, introduced by Mr. SCOTT (for himself and Mr. CLARK), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

JUST COMPENSATION IN FEDERAL CONDEMNATION CASES

Mr. MORSE. Mr. President, I send to the desk a bill which I introduce on behalf of myself and my colleague [Mr. HATFIELD], to provide for the payment of reasonable costs, expenses, and attorneys' fees to defendants in actions by the United States for condemnation of real property after determination of the amount of just compensation or after abandonment of such actions by the United States, and for other purposes. I ask unanimous consent that the bill be received and appropriately referred.

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

The bill (S. 1351) to provide for the payment of reasonable costs, expenses, and attorneys' fees to defendants in actions by the United States for the condemnation of real property after determination of the amount of just compensation, or after abandonment of such actions by the United States, and for other purposes, introduced by Mr. MORSE (for himself and Mr. HATFIELD), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. MORSE. Mr. President, the subject of condemnation became of special interest in my home, State of Oregon in connection with the discussions which took place in both Houses of Congress over a period of years relative to the proposed Oregon Dunes National Seashore.

Many constituents expressed to me their deep concern over the blanket powers of condemnation which these bills proposed to confer upon the Secretary of the Interior. Without diverting from the subject at hand, I refer my colleagues to the detailed discussions, pro and con, on the subject of the Oregon Dunes National Seashore and the condemnation provisions of the seashore bills. These are found in the Senate subcommittee hearings of May 4, 8, 9, and 22, 1963 on S. 1137 of the 88th Congress, and on June 22 and 23, 1966 on S. 250 and H.R. 7524 of the 89th Congress.

The discussions in depth which occurred in the hearings of the Senate Subcommittee on Public Lands during 1963 and in the Senate Subcommittee on Parks and Recreation in 1966, aroused the interest of many Oregon lawyers on the issue of just compensation to landowners in cases of Federal condemnation or takings of private property. The first Oregon attorney who gave me the benefit of his detailed views on this subject was Mr. Forrest Cooper who practices law at Lakeview, Oreg. In a letter written to me on November 6, 1963, Mr. Cooper said:

> With reference to condemnation proceedings by federal agencies, there is a void in the law which I think should be filled. This recommendation is based upon a personal observation. About twenty years ago, the U.S. Fish and Wildlife Service decided to condemn a ranch in Harney County for the purpose of including it in the Malheur Wildlife Refuge. The rancher did not want to sell, so a federal jury was impaneled and the value was established. The jury rejected the government's opinion as to value and accepted that of the witnesses marshaled by the rancher. The Fish and Wildlife Service walked away from the decision and since it had not gone into possession, the agency wasn't required to cause Uncle Sam to pay anything.
>
> A few years later this condemnation suit was filed again. It again went to a verdict. Again the agency did not like the size of the price tag and walked off and left the problem. Later, a third condemnation suit was filed and wound up with the same results.
>
> If such a series of suits had been filed in our state court, the court would have, in each case, made the state or its political subdivision which occupied the position of

plaintiff, reimburse the defendant for the out-of-pocket trial expenses such as witness fees, etc., and the Court would have allowed the landowner a reasonable attorney's fee for defending himself against a verdict which the government found to be not acceptable to its purse.

In a state court, whenever the verdict of the jury is more than was offered the defendant before the case was filed, the natural rule of justice is applied, but not so in the federal court. Your government and mine clobbered that Harney County rancher three times and in all three cases he had to pay all of his own court costs and his own legal expenses in defending his property against an unwarranted attempt to seize the same.

Hardly a week goes by without some federal agency filing a condemnation suit here in Oregon, and, of course, the story of what happened to the Harney County rancher is usually maneuvered around to where it is fashioned into a club to make the property owner hoist the white flag lest he be bankrupted with litigation. The only exception to this federal rule is where the government files its case and takes an order of the court permitting the agency to seize immediate possession of the property. Once this is done, the government is bound by the verdict whether it likes it or not. It is not very often that an emergency exists which warrants such a procedure being used, so the government agency just lays back and laws Farmer Brown to death.

The injustices mentioned by Mr. Cooper aroused my curiosity, so I asked the Library of Congress for a memorandum on the subject of condemnation in Federal cases, with special reference to the examples cited by Mr. Cooper. The Library supplied two memorandums. They proved that Mr. Cooper was right in describing the disadvantages of landowners in these cases.

I ask unanimous consent that the excellent Library of Congress memorandums of January 23, 1964, and July 24, 1964, be set forth at this point in my remarks.

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

[From the Library of Congress, Legislative Reference Service, Jan. 23, 1964]

To: Hon. WAYNE MORSE.
From: American Law Division.
Subject: Certain features of federal eminent domain law.

This is in reference to your request for a memorandum on federal eminent domain law as it relates to the point raised by your constituent, Mr. Forrest E. Cooper. Mr. Cooper is concerned about instances of officials of the Federal Government beginning condemnation proceedings on a piece of property, carrying the matter to a jury verdict as to value, and dropping the proceeding if the verdict strikes them as too high. They then, he indicates, wait a few years and try again, and perhaps several times, on the same piece of property, assertedly wishing to wear the landowner down so that he will accept their figure rather than again go through the expense of a suit. Mr. Cooper is also concerned that the landowner is entitled to no recovery of costs, attorney's fees, witnesses' fees, et cetera, from the Federal Government when the suit is thus dismissed, making it prohibitive for the landowner to resist the Government's attempt to take his land.

Presently, the rules concerning procedure for the condemnation of property in the Federal courts are contained in Rule 71A of the Rules of Civil Procedure, which became effective August 1, 1951. Subsection (i) of that Rule governs dismissal of action. Before that time, however, the power of condemnation was exercised under the Act of Aug. 18, 1888, ch. 728, § 1, 25 Stat. 357, by which the particular officer of the government, when authorized to procure land by Congress, could acquire it through an action instituted by the Attorney-General in the Federal district court of the district in which the land was located. The practice, pleading, forms and modes of proceedings in the district courts were to conform, "as near as may be" to that in the courts of the State in which the district court sat, § 2, which requirement merely insured that in condemnation proceedings, the Conformity Act of June 1, 1872, ch. 255 § 5, 17 Stat. 196, applied. See generally *Nichols on Eminent Domain*, (3d ed.), §§ 27.1, 27.2.

Since Mr. Cooper indicates that the first action against the particular farmer was brought "about twenty years ago," it perhaps will be useful to discuss the procedure then prevailing followed by a discussion of the procedure now prevailing, insofar as in both instances it is relevant to the points raised by Mr. Cooper.

The general rule on the right of the sovereign to discontinue an eminent domain action once begun was stated by the United States Supreme Court in *Danforth* v. *United States*, 308 U.S. 271, 284 (1939).

"Unless a taking has occurred previously in actuality or by a statutory provision, which fixes the time of taking by an event such as the filing of an action, we are of the view that the taking in a condemnation suit under this statute takes place upon the payment of the money award by the condemnor. . . . Until taking, the condemnor may discontinue or abandon his effort. The determination of the award is an offer subject to acceptance by the condemnor and thus gives to the user of the sovereign power of eminent domain an opportunity to determine whether the valuations leave the cost of completion within his resources. Condemnation is a means by which the sovereign may find out what any piece of property will cost."

If the government official deems the price as set by the jury as unreasonable, *Kanakanui* v. *United States*, 224 F. 923 (C.C.A. 9, 1917); *United States* v. *Crary*, 2 F. Supp. 870, 872 (D.C.W.D.Va. 1932), or if the funds available are not sufficient to meet the jury award, *Carlisle* v. *Cooper*, 64 F. 472 (C.C.A. 2, 1894), nothing prevented the sovereign from discontinuing the action. Cf. *Moody* v. *Wickard*, 136 F. 2d 801 (C.C.A.D.C., 1943), *cert. den.* 320 U.S. 775 (1943); *Barnidge* v. *United States*, 101 F. 2d 295 (C.C.A. 8, 1939); *O'Connor* v. *United States*, 155 F. 2d 425 (C.C.A. 9, 1946); *United States* v. *One Parcel of Land*, 131 F. Supp. 443 (D.C.D.C. 1955). The landowner was supposedly protected by the rule that title did not pass until compensation as determined to be fair and just was paid. *Hanson Lumber Co.* v. *United States*, 261 U.S. 581, 587 (1923); *Cherokee Nation* v. *Southern Kansas R. Co.*, 135 U.S. 641, 660 (1890). But at any time up to that point, the government could back out.

This was not true, however, if the government proceeded under the Declaration of Taking Act of February 26, 1931, ch. 307, 46 Stat. 1421, 40 U.S.C. § 258a et seq. The act was designed to expedite acquisition of land if the government wished to do so. It enables possession and title to be taken in advance of final judgment if the sovereign deposits with the court the estimated amount of compensation, with the right to the land or the interest in the land vesting in the government and the right to just compensation vesting in the landowner. Once undertaken, the action cannot be abandoned. *Catlin* v. *United States*, 324 U.S. 229 (1945); *United States* v. *40.75 Acres of Land*, 76 F. Supp. 239, 243 (D.C.N.D. Ill 1948). See also *United States* v. *Dow*, 357 U.S. 17 (1958).

The question of assessing costs against the government was early decided, though it has arisen many times since. The general rule is that, in the absence of a statute directly and specifically so authorizing, costs cannot be assessed against the United States. *United States* v. *Hooe*, 3 Cranch 73, 92 (1805) (Marshall, C. J.); *United States* v. *Worley*, 281 U.S. 339, 344 (1932); *United States* v. *Chemical Foundation*, 272 U.S. 1 (1926). There is no statute authorizing the taxing of costs either for or against the United States in condemnation cases. *Carlisle* v. *Cooper*, *supra*; *Nichols*, op. cit. § 27.6. The courts have fairly uniformly rejected the contention that in enacting the "conformity" provision, § 2 of 25 Stat. 357, Congress was giving its consent to assessing costs against the Federal courts in condemnation proceeding. As the court said in *Kanakanui* v. *United States*, *supra*, at 924:

"By virtue of that statute federal courts are required to follow the local practice, pleadings, forms, and proceedings so enjoined. They are not required to observe any provision covering any matter of substance prescribed in the local procedure."

See also, *United States* v. *Knowles' Estate*, 58 F. 2d 718 (C.C.A. 9, 1932); *In re Post Office Site*, 210 F. 832 (C.C.A. 2, 1914); *United States* v. *Wade*, 40 F. 2d 745 (D.C.E.D. Idaho 1926).

Specifically regarding attorney's fees, there is no constitutional requirement that they be allowed in condemnation proceedings, since "Attorney's fees and expenses are not embraced within just compensation for land taken by eminent domain." *Dohany* v. *Rogers*, 281 U.S. 362, 368 (1930).

On the other hand, there is nothing to prevent a State, and arguably the Federal Government, from extending the measure of compensation to attorney's fees and other costs. *Joslin Manufacturing Co.* v. *City of Providence*, 262 U.S. 668, 676–7 (1923). Even where there are State statutes allowing the recovery of "costs," "expenses," or the like, most courts have held against awarding attorney's fees unless the statute explicitly covered them. *Nichols*, op. cit. § 4.109 and cases cited. State statutes requiring the condemnor to pay costs, expenses, and reasonable attorney fees as a condition of dismissing or abandoning condemnation proceedings rather than pay the award have been upheld. *Trustees of Schools of Township No. 42* v. *Herrman*, 21 Ill. 2d 477, 173 N.E. 2d 472 (1961); *Gano* v. *Minneapolis Ry. Co.*, 114 Iowa 713, 87 N.W. 717 (1903), *aff'd per curiam* 190 U.S. 557 (1903). Such awards are occasionally made without the sanction of statute when the State has abandoned the proceeding and it appears that there was lack of due diligence in prosecution, unreasonable delay and perhaps bad faith. *State of Arizona* v. *Helm*, 86 Ariz. 275, 345 P. 2d 202 (1959). But even where a State statute authorizes such assessment of costs, reasonable attorney's fees, et cetera "as part of the award" they are not allowable if the condemnor abandons the action rather than paying the award, or before a jury determines the award. *In re Clark's Estate*, 187 F. 2d 100 3 (CCA5, 1951) (Florida).

Presently, federal condemnation proceedings are governed by Rule 71A of the Rules of Civil Procedure and discontinuance of the action by subsection (i) of that rule. Briefly, the condemnor may now dismiss an action as of right if no hearing has begun to determine the compensation and if the condemnor has not acquired the title or a lesser interest in or taken possession of the property. This, of course, represents a major change from the former right of dismissal. The action may be dismissed by stipulation of the condemnor and condemnee before the entry of any judgment vesting the condemnor with title or a lesser interest in or possession of the property, without an order of the court. The court may vacate a judgment upon stipulation of the parties. At any time before compensation for a piece of property has been determined and paid, the court after motion and hearing may dismiss the action as to that property provided the condemnor has not taken possession, title or a lesser interest. Thus, the condemnee is

afforded substantial protection over what he had before adoption of the Rule. See *Nichols*, op. cit. § 27.4.

As to costs, expenses, attorney's fees, and the like, the rule has not changed. Rule 71A(1) provides that costs in condemnation suits are not subject to Rule 54(d) which allows costs to the prevailing party generally but against the United States only to the extent permitted by law. Therefore, costs and expenses are not allowable to the condemnee, whether or not he prevails, whether or not the Government carries the action through to completion or abandons it. *United States* v. *1,000 acres of land*, 162 F. Supp. 219, 223–24 (D.C.E.D. La 1958). *United States* v. *Southerly Portion of Bodie Island*, 19 FRD 313 (D.C.E.D.N.C. 1956). See Report of the Advisory Committee on the Federal Rules, 28 U.S.C., App. at p. 5197; Nichols, op. cit. § 27.6.

JOHNNY H. KILLIAN,
Legislative Attorney.

[From the Library of Congress Legislative Reference Service, July 21, 1964]

To: Hon. WAYNE MORSE.
From: American Law Division.
Subject: Certain features of federal eminent domain law.

This is in reference to your request of July 6, 1964, for additional comment on the subject discussed in the January 23, 1964, memorandum—the question of the Government's power to withdraw from and dismiss a condemnation suit after a verdict has been reached but before the judgment is paid. It seems clear that Rule 71A(i)(3), Federal Rules of Civil Procedure, contemplates such withdrawal by motion of the condemnor on order of the court, after a verdict by the jury or an award by commissioners. The Rule says nothing about the standards the presiding judge is to apply in deciding whether or not to grant the motion of dismissal. As we stated in the previous memorandum, we felt that change from an unquestioned right to dismissal and withdrawal at any time before the taking is accomplished to a right to dismissal conditioned upon approval by the presiding judge afforded some protection to the condemnee who may well have gone to substantial expense to establish what he considers a fair price for his property and is left with that expense and his property because the condemnor does not like the price established.

There is, unfortunately, very little upon which to assess the soundness of this view or to determine the adequacy of any protection afforded. Writing shortly after adoption of the rule, one observer said:

". . . Rule 71A is murky in this area. It is clear that abandonment without compensation is no longer possible when possession has been taken. It is clear that dismissal is no longer a matter of right after the hearing has begun. It is far from clear what course the courts will take in applying the discretion granted them to dismiss after hearing but before actual vesting of title. The rule suggests a more protective attitude toward the property owner. At the very least an adoption of the rule of estoppel current in many states may be expected. If the defendant has already expended large sums on new property in reliance on the condemnation, it is unfair to allow dismissal. The idea that the plaintiff might be estopped to abandon has found little favor in the federal courts in the past, but it is a sound idea. . . . Developing the proper construction is beyond the scope of this discussion. But 71A has obviously provided new defendants rights in this area. Comment, 4 Stan. L. Rev. 266, 274–5 (1952)."

Citing the above comment's idea of "a more protective attitude," a leading text on federal procedure disagreed.

". . . But there is no evidence of such a change in the prior law in the decisions. Instead it is said that the rule preserves the former distinctions, that the government may dismiss without more where it has had neither title nor possession, and that even where it has taken possession it is entitled to dismiss on paying fair compensation for the period of possession. Barron & Holtzoff, Federal Practice and Procedure (Wright ed. 1958), § 1527."

Unfortunately, the two cases cited to support the conclusion are not helpful. In *United States* v. *One Parcel of Land*, 131 F. Supp. 443, 445 (D.C.D.C. 1955), the Court stated the general rule, as expressed at pp. 2–4 of the January 23 memorandum, citing pre-71A cases as authority. But the holding of the case was that the government had actually used the declaration of taking procedure and could not therefore withdraw.

The second case is more relevant. In *United States* v. *6,667 Acres of Land*, 142 F. Supp. 198 (D.C.E.D.S.C. 1956), the United States had proceeded against three tracts of land. The matter was referred to a commission under Rule 71A(h) and the commission determined the value of each of the tracts. Before the Commission report was filed, the Government moved to dismiss and to release and relieve the owners of the property from the Order for Delivery of Possession which had been previously filed. The motion recited that a "redetermination" of "requirements" had been made and that only certain of the tracts or portions thereof would now be needed. Quoting the language of 71A(i)(3) and the comment by the drafting Committee, the Court said:

"It is quite clear . . . that the intent, purpose and effect of the Rule are not to modify in any way the distinction which inherently exists between a condemnation by the Government under a Declaration of Taking and a condemnation under a Complaint with Order of Possession. Under the former title passes immediately to the Government. Under the latter, no title passes until the amount of the actual award is paid into court. The Government, unless its possession of the land under the Order of Possession has amounted to a taking of the landowner's property, may still reject the offer which it has, in effect, forced from the landowner. 142 F. Supp. at 200–201."

The Court found that the United States did not need the land to which the dismissal motion was directed and that the United States was entitled to dismissal.

Thus, the case is not very helpful in assessing the protection afforded a condemnee from a motion to dismiss when such motion is the result of the condemnor's dissatisfaction with the size of the award. No discussion has been found in regard to the standards the judge should use in deciding such a motion. However, an analogy could be drawn to Rule 41(a)(2), providing for dismissal of an action by order of the court on motion of the plaintiff. Rule 41 deals with the dismissal of civil actions in general. It has been held that it is properly within the court's discretion to deny the motion where such dismissal would substantially prejudice the defendant. *Shaffer* v. *Evans*, 263 F. 2d 134 (C. C. A. 10, 1958); *Harvey Aluminum, Inc.* v. *American Cyanamid Co.*, 15 F. R. D. 14 (D. C. S. D. N. Y. 1953). Neither of these cases however, was a condemnation matter.

The state of the law in this matter, then, is unclear. About all that can be said is that Rule 71A(i)(3) was intended to change the law, but the degree of change, even at this date, is speculative.

An attorney of the Justice Department informally advises us that the number of instances in which the Department has sought dismissal of a condemnation proceeding after it has gone to hearing, much less after the verdict is in, is extremely small, and that it is Departmental policy not to institute proceedings unless it is planned to see the matter through.

JOHNNY H. KILLIAN,
Legislative Attorney.

Mr. MORSE. Mr. President, upon the basis of the foregoing memorandums, it appears that there is a serious gap in the Federal law relating to just compensation in the taking, by the Federal Government, of private property for public purposes. As the law now stands, the landowner is at a serious disadvantage in negotiating with the Federal Government over the fair and reasonable value of his property.

Even if he wins a judgment that exceeds the amount tendered before or during the course of litigation, the landowner too often finds himself the ultimate loser because his net return, after deducting his attorney's fee, appraiser's fee, and the fees of expert witnesses, is often substantially less than the amount offered by the Government.

The fifth amendment to the United States Constitution provides in part:

Nor is private property to be taken for public use, without just compensation.

Just compensation means the full and perfect equivalent—in money—of the property taken. *Monongahela Navigation Company* v. *U.S.*, 148 U.S. 312, 326 (1893).

My home State of Oregon long ago took action to correct the unfairness in the law as it relates to landowners whose monetary recovery in eminent domain cases exceed the State's or other public body's or agency's final offer. The Oregon statutes provide that in such cases, the landowner can recover a reasonable attorney's fee as determined by the court. The Oregon statutes do not require the payment of appraiser's fees, nor do they give to the prevailing landowner the right to recover expenses incident to the preparation or trial of the case. But these statutes do go a substantial distance in the direction of providing just compensation by including attorney's fees for the landowner in cases where the recovery exceeds the plaintiff's offer.

Because of their importance, I ask unanimous consent that the relevant Oregon statutory provisions be set forth at this point in my remarks.

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

OREGON REVISED STATUTES—CHAPTER 35 (1963 REPRINT)

EMINENT DOMAIN PROCEDURE

35.110 *Costs and disbursements.* The costs and disbursements of the defendant, including a reasonable attorney's fee to be fixed by the court at the trial, shall be taxed by the clerk and recovered from the plaintiff, unless the plaintiff tendered the defendant before commencing the action an amount equal to or greater than that assessed by the jury, in which case the plaintiff shall recover his costs and disbursements from the defendant, but not including an attorney's fee.

OREGON REVISED STATUTES—CHAPTER 281 (1963 REPRINT)

CONDEMNATION FOR PUBLIC USE

281.330 *Procedure; compensation; election by county; costs, disbursements and attorney's fee.* (1) . . .

(2) The costs and disbursements of the defendant including a reasonable attorney's fee to be set by the court shall be taxed by the clerk and recovered from the county; but if it appears that the county tendered to the defendant before commencing the action an

amount equal to or greater than that assessed by the jury, the defendant shall not recover costs or attorney's fee.

(3) Within 20 days after the verdict of the jury is given, the county shall file with the clerk its election to proceed with the taking of the property condemned or its election not to take the same. If the county elects not to take the property condemned, the court shall enter judgment in favor of the defendants for costs and disbursements incurred and for a reasonable attorney's fee to be fixed by the court.

OREGON LAWS—1965, CHAPTER 484

AN ACT RELATING TO COURT PROCEEDINGS

Be It Enacted by the People of the State of Oregon:

Section 1. In a proceeding brought under section 18, Article I or section 4, Article XI, of the Oregon Constitution by an owner of property or by a person claiming an interest in property, if the owner or other person prevails, he shall be entitled to costs and disbursements and reasonable attorney fees.

Mr. MORSE. Having in mind the Oregon statutory provisions, I worked with legislative counsel of the Senate and with Mr. Cooper in drafting a bill which was designed to bring comparable concepts of just compensation into Federal cases involving the taking of private property for public purposes where the landowner's money judgment exceeds the plaintiff's offer. This bill was introduced on October 5, 1966, as S. 3883 of the 89th Congress. Later, I shall ask that its full text be included in the RECORD.

After the adjournment of the 89th Congress, I asked a majority of the lawyers of the State of Oregon to give me their views on this legislative proposal. I had hoped to ask each lawyer in Oregon to review S. 3883 and to supply comments thereon. However, it soon became evident that the task of communicating with each and every practicing lawyer in Oregon was impossible of accomplishment within a reasonable period of time, despite diligent work on the part of my staff. Although the facilities of my office are limited, I estimate that my letter relative to S. 3883 reached about 60 percent of the lawyers engaged in active practice in Oregon. The response was impressive. I received hundreds of replies and scores of excellent suggestions concerning changes in language or additional provisions which would make my bill more fair and equitable. The lawyers who responded to my letters supplied not only suggested improvements in the measure, but also illustrations concerning hardships suffered by landowners. These are a few of their comments which bear repetition at this point:

As you know, the laws of Oregon provide for the payment of attorneys' fees in the event the property owner secures a verdict larger than the amount of the offer made by the state agency. It has been our experience that this is most beneficial to the property owner. It has further been our experience that in the Federal cases, the property owner often is deprived of "substantial justice" because no matter how large a verdict the property owner received, he cannot secure payment of his attorneys' fees and expenses of preparation for the condemnation case from the government agency involved. The result is that while in many cases the property owner does receive an increase above the government's offer, he is in effect the "loser" in the case because he cannot recover attorneys' fees and expenses.

It has been our experience in the state of Oregon cases that the state appraisers are more realistic in their appraisals where they know that if their appraisals do not stand up on trial that the state agency involved will be required to pay attorneys' fees for the landowner. It has been our experience in cases involving Federal agencies that many times the appraisals are low and the Federal agency people involved take the position, "so what?", implying that the property owner can go to condemnation if he wants to and can stand the expense of the trial plus payment of his own attorneys' fees. We are firmly of the opinion that your bill would remedy this situation and would result in Federal appraisers being more realistic in their appraisals and would also undoubtedly result in the settlement of many condemnation cases which now are forced to trial because the property owner cannot recover attorneys' fees and expenses of trial even if he wins.

In the negotiations by the representatives of the government, they do not hesitate to extensively expound on the fact that the attorney fees in federal cases are the responsibility of the landowner. They probably do this to a greater extent in Oregon than in other states because of our favorable state law and the possible general belief in the public that the government usually pays the attorney fees. Government at all times should pay the fair market value for the land taken.

When the landowner is forced by the condemnation proceedings which he didn't initiate to employ attorneys and appraisers in order to determine his position in regard to the fair market value he has incurred expenses which are not reimbursable and which prevent him from ever receiving the fair market value. He would receive the fair market value only if you assume that the appraisal as made by the government is fair.

As you know, most of these cases are handled on a contingency basis with the landowners, and as a result, the amount they receive is certainly not comparable to the value of the land which was seized by the government. It has seemed most unfair to me, that the jurors in determining the amount of just compensation are under the impression that the landowner will receive the full amount which they give them; whereas, in truth, the landowner must pay a substantial amount to his attorney in handling the suit.

Just compensation should be exactly that—no more and no less. The full value of the property as finally determined should be paid to the landowner, not merely the value less his legal cost in proving the government wrong. If the government was wrong in the first instance and made an inadequate offer, and the jury so finds, then the government should bear the responsibility for the added cost. The provision will not, as I have heard it claimed by representatives of the Highway Department, lead to the condemning body paying excessive costs for the land involved, or to landowners making excessive demands as a matter of routine policy in the hope of squeezing more from the government than the land is worth.

It must always be kept in mind that it is only when the jury agrees with the landowner, that the initial offer was too low, that the landowner is allowed an attorney's fee. Otherwise, and where the jury agrees with the government that the tender was adequate, there is no attorney's fee allowed and the landowner must bear his own costs. This is a sufficient deterrent against exorbitant demands on the part of the landowner.

I have found from my experience that it is very difficult for the property owner to secure competent and disinterested appraisers, as most of these are or have been employed in a similar capacity by the government, state, city or county. Appraisers frequently do not wish to prejudice their prospects of future employment by the government by appearing for a property owner. The difference between the opinions on value of the skilled appraisers employed by the government and what the owner believes his property is worth may not be much in dollars and cents, but it is important to the property owner. The proposed bill will enable the owner to have his case presented to a jury, confident in the fact that if the jury decides he is right the cost to him will not render valueless the verdict which he has secured.

I have known of the Government being dissatisfied with a jury award and walking away from the purchase, leaving the landowner in the position of having substantial litigation costs to defray and still owning the land. Frankly, I have always felt, and still feel, that this is grossly unjust. I likewise feel that the Government is all too frequently using the fact that no award of attorneys' fees can be made against it to drive down the price that they must pay for real estate.

I have for years declined to accept employment in cases of Federal condemnation because the time and effort involved, along with the expense is usually not justified. By the time the property owner hires two or three appraisers at $150 to $200 a day and pays for the cost of preparing maps and exhibits, and then he has to pay his attorney's fees out of the increase in the amount of the award over that offered, he usually comes out on the losing end. Obviously it takes a case with a considerable amount involved to justify the property owner's contest. Obviously, this system results in hardship to citizens who have a small piece of property or small home, or a piece of small value because they simply can't afford to contest.

One illustration of the reason for an allowance of attorneys' fees is the fact that most lawyers in the state having contact with condemnation proceedings very infrequently, if ever, get into the Federal Court in such cases. There are many times, however, when in the course of advising clients on a Federal condemnation proceeding to assume and so advise the client that in the event the case is tried and a larger award received attorneys' fees will be given. They become much embarrassed at a later stage in the proceeding when they are advised by the U.S. Attorney handling the case that attorneys' fees can't be awarded and they have to go back and advise their clients that they had given inaccurate advice in the first instance.

This situation is particularly difficult for a small landowner, as the spread between the offer of the Government and the possible recovery is relatively small and probably does not warrant the incurring of costs of litigation, including appraisers' fees and attorneys' fees.

My experience has been that small landowners are not willing to risk incurring of expenses of litigation and practically always settle with the Government for less than the reasonable value of the land. As a matter of fact, I have advised clients to do just that because of the hazards of litigation and the cost thereof.

The Constitutional provision that private property shall not be taken without just compensation is not met in the present procedure. The property owner receives the reasonable market value less his litigation costs and attorney fees.

In my condemnation case if the condemnee cannot recover attorney fees there is a built-in inequity. All that the condemnee is entitled to at the hands of the trier of the fact is just compensation. If he truly recovers just compensation and pays out a third or forty percent in attorney fees, he is just short that much of recovering just compensation. Juries are not generous with government money and I know of no instance where anyone has recovered more than he had coming and of course in all cases he would have to pay an attorney fee.

If an offer is made by the government which comes anywhere near a fair price, it cannot safely be rejected. If the offer is nowhere near adequate, one must consider that appraisers will cost usually several hundred dollars and this must be paid regardless of outcome of litigation and regardless of whether the matter is actually settled before suit. One must also consider an attorney's fee and whether it should be taken on a time basis or on a percentage basis. Bearing in mind always that the property owner must be reasonably sure he will obtain a great deal more than the government offer or he will not break even after having paid his attorney's fees, court costs, costs of preparation of necessary documents and appraiser's fees.

Obviously, a property owner cannot be justly compensated for his property when he must undertake to retain adequate and competent counsel to represent him against the government. The trier of fact, be it judge or jury, is allowed only to determine the just compensation to be awarded for the property and cannot make any allowances for the expenses involved. The fee charged by us for federal condemnation cases has been one-third of the increase between the offer and the amount awarded by the court as just compensation. Although this is on a contingent basis, the property owner must give up his property and part of the proceeds in order to fight the government. This gives the negotiators for the government a very real and highly advantageous bargaining position. Needless to say, most negotiators, being government loyal employees, take full advantage of this unequal bargaining position.

My staff and I and legislative counsel of the Senate spent a good many hours reviewing the suggested changes in S. 3883 and I am pleased to state that as a result of the help that I received from Oregon lawyers, the bill I am about to introduce represents a number of improvements over S. 3883.

I ask unanimous consent that the text of this bill be printed in the RECORD at the close of my remarks. So that all who are interested may observe the differences between the bill I have just introduced and S. 3883 of the 89th Congress, I ask unanimous consent that both bills be set forth at the conclusion of my remarks in parallel, adjacent columns.

The PRESIDING OFFICER. Without objection, both bills will be printed in the RECORD.

(See exhibits 1 and 2.)

Mr. MORSE. In conclusion, I am pleased to inform my colleagues that S. 3883 of the 89th Congress has the support of the following organizations and associations of the State of Oregon:

The board of governors of the Oregon State bar;

The judicial committee of the Oregon State bar;

The Union County Bar Association;

The Lane County Bar Association; and

The Coos-Curry Bar Association.

It is my opinion that this bill, if enacted, would promote justice and equity in Federal condemnation cases. I urge that it be given serious consideration by the Senate Judiciary Committee and that early hearings be scheduled on this measure.

I ask unanimous consent that a brief analysis of the bill I have just introduced be set forth in the RECORD following the text of the bill.

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

(See exhibit 3.)

EXHIBIT 1

S. 3883 (89th Cong.)

A bill to provide for the payment of reasonable costs, expenses, and attorneys' fees to defendants in actions by the United States for the condemnation of real property after determination of the amount of just compensation, or after abandonment of such action by the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 161 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"SEC. 2415. Actions for condemnation of real property

"If, in any action brought by the United States for the acquisition of any interest in real property through the exercise of the power of eminent domain, it is determined that just compensation for such interest exceeds the maximum amount offered by the United States for such interest before the institution of that action, any judgment entered in that action in favor of the United States with respect to that interest shall provide for the payment to the defendant having title to that interest of (1) the amount determined to constitute just compensation for that interest, and (2) a sum equal to the aggregate amount of the costs and reasonable expenses incurred by such defendant in the preparation and trial of that action, including a reasonable attorney's fee, as determined by the court. If, after the institution of any such action, the United States dismisses such action before judgment or such action is dismissed upon motion of the defendant having title to that interest for failure of prosecution of such action, the court shall enter in that action, upon application made by such defendant judgment requiring the payment by the United States to such defendant of a sum equal to the aggregate amount of the costs and reasonable expenses incurred by such defendant for the preparation or trial of that action, including a reasonable attorney's fee, as determined by the court."

(b) The chapter analysis of such chapter is amended by adding at the end thereof the following new item:

EXHIBIT 2

S. 1351 (90th Cong.)

A bill to provide for the payment of reasonable cost, expenses, and attorneys' fees to defendants in actions by the United States for the condemnation of real property after determination of the amount of just compensation, or after abandonment of such actions by the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 161 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 2415. Actions for the condemnation or taking of real property

"(a) If, in any action brought by the United States for the acquisition of any interest in real property through the exercise of the power of eminent domain, it is determined that just compensation for such interest exceeds the maximum amount offered by the United States for such interest before the institution of that action, any judgment entered in that action in favor of the United States with respect to that interest shall provide for the payment to the defendant having title to that interest of (1) the amount determined to constitute just compensation for that interest, and (2) a sum equal to the aggregate amount of the costs and expenses incurred by such defendant incident to that action. If, after the institution of any such action, the United States dismisses such action before judgment, or such action is dismissed upon motion of the defendant having title to that interest for failure of prosecution of such action, the court shall enter in that action, upon application made by such defendant, judgment requiring the payment by the United States to such defendant of a sum equal to the aggregate amount of the costs and expenses incurred by such defendant incident to that action.

"(b) If, in any such action brought by the United States with respect to any interest in real property, it is determined that the United States is without lawful authority to acquire that interest through the exercise of any power of eminent domain, any judgment entered in that action in favor of the defendant shall provide for the payment to the defendant by the United States of a sum equal to the aggregate amount of the costs and expenses incurred by the defendant incident to that action.

"(c) If, in any action brought against the United States for the recovery of just compensation for the taking of any interest in real property, it is determined that such taking occurred without a tender of compensation to the plaintiff for such interest or that just compensation for the interest taken exceeds the maximum amount tendered to the plaintiff for such interest by or on behalf of the United States before the institution of that action, any judgment entered in that action in favor of the plaintiff with respect to that interest shall provide for the payment to the plaintiff of (1) the amount determined to constitute just compensation for that interest, and (2) a sum equal to the aggregate amount of the costs and expenses incurred by the plaintiff incident to that action.

EXHIBIT 1—Continued

S. 3883 (89th Cong.)—Continued

"2415. Actions for condemnation of real property."

SEC. 2. The amendment made by this Act shall be effective with respect to all actions brought on and after the first day of the third month beginning after the date of enactment of this Act for the acquisition of any interest in real property by or on behalf of any department or agency of the United States through the exercise of the power of eminent domain.

EXHIBIT 2—Continued

S. 1351 (90th Cong.)—Continued

"(d) As used in this section—

"(1) The term 'United States' means the United States Government, any department, agency, instrumentality, or officer thereof, and any corporation owned or controlled by the United States Government.

"(2) The term 'expenses' includes, but is not limited to, expenses reasonably incurred for appraisal and other expert services incident to the preparation and trial of a civil action, and a reasonable attorney's fee incurred incident to the preparation and trial of such action and the review of any judgment or decree entered therein, as determined by the court in that action."

(b) The chapter analysis of such chapter is amended by adding at the end thereof the following new item:

"2415. Actions for the condemnation or taking of real property."

SEC. 2. The amendments made by this Act shall be effective with respect to all actions brought on and after the first day of the third month beginning after the date of enactment of this Act (1) by or on behalf of any department, agency, instrumentality, or officer of the United States or any corporation owned or controlled by the United States Government for the acquisition of any interest in real property through the exercise of the power of eminent domain, or (2) by any party for the recovery of just compensation for the taking of any interest in real property by or on behalf of any such department, agency, instrumentality, officer, or corporation.

EXHIBIT 3

ANALYSIS OF THE BILL

Section 1(a) provides that the defendant landowner is entitled to just compensation and the aggregate amount of the costs and expenses incurred by the defendant in the action, if it is determined that just compensation for the landowner's interest exceeds the maximum amount offered by the United States before the institution of the action.

Section 1(a) also provides that where the United States dismisses the action before judgment, or the defendant landowner obtains a dismissal for failure of the United States to prosecute the action, the court is to enter in that action, upon application by the defendant, judgment requiring the United States to pay the defendant landowner a sum equal to the aggregate of the costs and expenses incurred by the defendant incident to that action.

Section 1(b) provides that in the rare instance in which it is determined that the United States is without lawful authority to acquire a landowner's interest through the exercise of the power of eminent domain, the judgment in favor of the defendant must provide for payment to him by the United States of the sum equal to the aggregate amount of the costs and expenses incurred by the defendant incident to the action.

Section 1(c) deals with cases of so-called "inverse" condemnation, in which the taking by the United States was without a tender of compensation, or in which the maximum tendered by the United States to the plaintiff before institution of the action, was less than the amount recovered by the plaintiff.

Section 1(d)(1) defines "United States", to include the United States Government, any department, agency, instrumentality, or officer thereof, and any corporation owned or controlled by the United States Government.

Section 1(d)(2) defines the term "expenses" to include appraisal fees and costs of other expert services incident to the preparation and trial of a civil action, as well as a reasonable attorney's fee incurred incident to the preparation and trial of the action. The term expenses also includes a reasonable attorney's fee incident to the review of any judgment or decree as determined by the court.

Section 2 provides that the amounts included in the bill shall be effective with respect to actions brought on and after the first day of the third month following the enactment of the act.

ADJUSTMENTS IN AMOUNT OF OUTSTANDING SILVER CERTIFICATES

Mr. SPARKMAN. Mr. President, I have introduced a bill to authorize adjustments in the amount of outstanding silver certificates, and for other purposes.

I ask unanimous consent to have printed in the RECORD the text of Secretary Fowler's letter recommending the bill and also the text of the bill.

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

The bill (S. 1352) to authorize adjustments in the amount of outstanding silver certificates, and for other purposes, introduced by Mr. SPARKMAN, by request, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized to determine from time to time the amount of silver certificates, issued after June 30, 1929, which in his judgment have been destroyed or irretrievably lost, or are held in collections, and will never be presented for redemption. In the case of each determination he shall credit the appropriate receipt account with an equivalent amount, and shall reduce accordingly the amount of silver certificates outstanding on the books of the Treasury.

SEC. 2. Silver certificates shall be exchangeable for silver bullion for one year following the enactment of this Act. Thereafter they shall no longer be redeemable in silver but shall be redeemable from any moneys in the general fund of the Treasury not otherwise appropriated.

SEC. 3. Effective upon the expiration of one year after the date of enactment of this Act, section 2 of the Act of June 4, 1963, as amended (31 U.S.C. 405 a–1), is amended to read as follows:

"SEC. 2. The Secretary of the Treasury is authorized to use for coinage, or to sell on such terms and conditions as he may deem appropriate, any silver of the United States at a price not less than the monetary value of $1.292929292 per fine troy ounce."

The letter presented by Mr. SPARKMAN is as follows:

THE SECRETARY OF THE TREASURY,
Washington, March 14, 1967.

Hon. HUBERT H. HUMPHREY,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill "To authorize adjustments in the amount of outstanding silver certificates, and for other purposes."

The proposed legislation would accomplish two purposes. First, it would authorize the Secretary of the Treasury to write off those outstanding silver certificates which he determines have been lost or destroyed, or are held in collections, and will never be presented for redemption. Second, it would limit to one year the time during which silver certificates are exchangeable for silver.

There were outstanding on December 31, 1966, silver certificates in the amount of $568,840,348, requiring that 439,962,457 ounces of silver be held for their redemption. The Treasury held a total of 591,940,684 ounces of silver, plus 2,305,132 ounces in silver dollars, leaving a balance of uncommitted silver of 154,283,359 ounces.

Enactment of this proposed legislation would bring to completion the policy changes with respect to silver that were begun in 1961 when President Kennedy took the first step in the gradual withdrawal of silver from our monetary system. By 1961, it had become clear that world industrial consumption of silver would exceed world production. President Kennedy therefore suspended the sale of free silver from Treasury stocks at artificially low prices. As the next step the Congress repealed the Silver Purchase Acts by the Act of June 4, 1963.

Included in the Act of June 4, 1963, was the authority to supply the need for currency in the $1 denomination, which had been met exclusively by silver certificates, with Federal Reserve notes, and the authority to redeem silver certificates with silver bullion rather than with silver dollars. The issuance of $1 Federal Reserve notes was begun in November, 1963, and the issuance of silver certificates was stopped in September, 1964.

With industrial consumption of silver exceeding production it also became clear that the minting of subsidiary silver coins made of 90-percent silver could not continue. The Congress therefore enacted the Coinage Act of 1965, which authorized the minting of dimes and quarters made of copper and nickel and half-dollars made of 40-percent silver.

The proposed legislation would free for more productive uses the remaining silver held by the Treasury as backing for silver

certificates, a considerable amount immediately and the rest a year after enactment.

The write-off of currencies no longer being issued, which would be authorized by the first section of the proposed legislation, is the accepted method of dealing with the amounts which have been lost or destroyed over the years. The Old Series Currency Adjustment Act of 1961 provided authority for the write-off of the old, large-size currency which was no longer issued after July 1, 1929. Under that Act over $144 million of currency has been determined by the Secretary of the Treasury to have been lost or destroyed and has been written off. Under that legislation the gold and silver backing those currencies has been freed for other uses and receipts have accrued to the Treasury from the write-off of the currency. The Treasury's experience with the write-off of other currencies no longer issued would indicate that about $150 million of silver certificates could be written off immediately upon enactment of the proposed legislation, thus freeing that amount of silver and creating that amount of receipts to the Treasury. Further write-offs could be made as experience demonstrated that additional silver certificates would never be presented for redemption.

The second section of the proposed legislation would set a time limit within which holders of silver certificates could present them in order to obtain redemption in silver. The theory that a metallic backing was necessary to support paper currency has long ceased to have any significance in our modern economy; a flexible currency, such as Federal Rerseve notes, far more effectively serves the needs of the public. Until recently the bullion backing silver certificates was worth considerably less as a commodity than the face amount of the certificates, and the silver backing for silver certificates was never intended to make the certificates a convenient way to hold silver for speculative purposes. Now that the silver bullion backing certificates happens to have the same value as the certificates themselves, the proposed legislation would offer holders of such certificates one year in which they might exchange them for silver if they think that best protects their interest. After the demands of those wishing to obtain silver have been satisfied the remaining outstanding certificates would continue to function as legal tender and would be redeemable in other forms of legal tender. The public would not, however, be able to speculate on the price of silver merely by holding certificates indefinitely as warehouse receipts. This is an entirely reasonable way of getting the Government out of the commodity business.

The third section of the proposed legislation would merely conform existing law by making changes which the first two sections would make necessary.

The silver remaining in the Treasury after completion of action under the proposed legislation would be available for establishing an emergency stockpile, or for coinage, or for sale in the market or disposition in such other ways as might be in the public interests. Presumably recommendations in this respect will be made by the Joint Commission on the Coinage, authorized to be established by the Coinage Act of 1965.

It will be appreciated if you will lay the attached proposed bill before the Senate. A similar communication has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that the enactment of the proposed legislation would be consistent with the Administration's objectives.

Sincerely yours,

HENRY H. FOWLER.

Mr. DOMINICK. Mr. President, the distinguished Senator from Alabama [Mr. SPARKMAN] has just introduced for appropriate reference a bill submitted by the Treasury Department dealing with the silver backing of our silver certificates along with a letter dated March 14, 1967, from the Secretary of the Treasury.

Since I have been following the silver situation very closely and have recently made two speeches in this Chamber concerning this matter, I believe it is appropriate that I comment on the letter from the Secretary of the Treasury. I think the letter will be of interest to everyone who has been following the silver situation as well as to those interested in our monetary policy.

Mr. President, in the first place, the letter cites the amount of free silver we had as of December 31, 1966, which is indicated as being 154,283,359 ounces. The December 31 figures is badly misleading because it is out of date.

The colloquy last Thursday between the distinguished Senator from Montana [Mr. MANSFIELD], the distinguished Senator from Nevada [Mr. BIBLE] and myself clearly demonstrated that as of March 10, 1967, we only had 112,979,825 ounces of free silver. One can readily observe the tremendous drop in free silver between December 31, 1966, and March 10 of this year, and the decline is continuing at a dramatic rate. Secondly, and I believe of equal importance in showing that the Treasury has not been entirely frank in this matter, I would like to quote from page 2 of the Treasury letter which states:

> The theory that a metallic backing was necessary to support paper currency has long ceased to have any significance in our modern economy; a flexible currency, such as Federal Reserve notes, far more effectively serves the needs of the public.

Mr. President, I submit that this is the first step on the part of the administration to do what I have for 2 years been predicting they would do, I have predicted that the administration would remove all metallic backing from our currency and place the country in the position of having nothing but printing press money for the people of the United States. When we do that, Mr. President, we are in the first stages of a disaster similar to disasters which have caused the downfall of every other country following similar policies.

I would say to the Department of the Treasury and the Committee on Banking and Currency that if we are to go forward with this idea by first removing the backing from our silver certificates and then the metallic backing from our other currency; we will be taking a big step toward disaster and inflation in this country.

Mr. President, I could make many more comments in connection with the proposed bill, but the one additional point that I wish to make at this time is that, because the administration has no policy with respect to silver, we now find ourselves with an insufficient supply of silver for our defense needs. The drain on our free Treasury reserves continues, and the administration has once again met the situation with legislation by crisis, designed only to create temporarily more silver for our reserves. The bill offers nothing in the way of a solution of our silver problem.

The first objective that we, as Senators have is to supply the defense needs of this country and then decide what we age going to do with the remainder of our free silver regardless of whether the silver association agrees with us.

U.S. LABOR COURT BILL

Mr. GRIFFIN. Mr. President, on behalf of myself, the Senator from Utah [Mr. BENNETT], the Senator from Nebraska [Mr. CURTIS], the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. FANNIN], the Senator from Ohio [Mr. LAUSCHE], the Senator from Illinois [Mr. PERCY], and the Senator from South Carolina [Mr. THURMOND], I introduce, for appropriate reference, a bill to abolish the National Labor Relations Board and to establish in its place a 15-judge U.S. labor court similar in many respects to the U.S. Tax Court.

In the interests of justice and public confidence, it has long been my view that our labor-management laws should be interpreted and applied by persons of judicial temperament acting in a judicial atmosphere—by judges who are well insulated from day-to-day political and special interest pressures. Unfortunately, the NLRB has shown little inclination to act, or to regard itself, as a judicial body. Instead, it seems to regard itself—in the words of one of its own members—as a policymaking tribunal.

In my view, the qualifications and tenure of NLRB membership invite this unfortunate attitude. NLRB members are appointed for short 5-year terms. There is no requirement that they be lawyers; in fact, two of the five current members of the NLRB are not lawyers.

Mr. President, the problems which stem from the basic system are compounded by inadequate appeal procedures. If the General Counsel of the NLRB decides that he will not issue an unfair labor practice complaint, there can be no appeal from his determination. If he does issue an unfair labor practice complaint, the decision handed down thereafter by the NLRB can be appealed; however, appeal rights are limited. The appellate court may review only the record made at the NLRB level. The court is required to sustain all of the Board's findings of fact which are supported by "substantial evidence"—whether or not the court would have made similar findings on the same evidence.

Furthermore, the apparent safeguard of the right to appeal from NLRB decisions is weakened by the inclination of appellate courts to defer to the supposed expertise of the Board in labor-management matters.

I believe that the bill being introduced today would go a long way toward remedying a number of these existing problems. Under the bill—

The NLRB would be replaced by a U.S. labor court of 15 judges, who would have 20-year terms, except original appointees would serve staggered terms.

The labor court, an independent judicial body, would enjoy a greatly enhanced stature. I believe that parties

and the public alike could rightly expect that decisions would be based upon the law, congressional intent and an appropriate respect for the doctrine of stare decisis.

The legislation would authorize the court to establish divisions, consisting of one or more judges. Such divisions would help narrow, and eliminate the lag in case handling which has long characterized the acivities of the NLRB.

An Administrator would be appointed by the President, with the advice and consent of the Senate, who would replace the General Counsel of the NLRB. If an unfair labor practice were charged, and the Administrator should refuse to issue a complaint, the charging party would have the right to appeal to the labor court.

Ninety commissioners, who would have to be lawyers, could be appointed by the court to serve as assigned by the chief judge. They would receive $26,000 a year, and would be at the option of the court. The commissioners so appointed would replace the present NLRB trial examiners.

I should like to point out that the bill being introduced today generally follows recommendations which have been made in the past by the American Bar Association.

Mr. President, the establishment of a U.S. labor court would not provide a panacea for all the problems inherent in the administration of our national labor-management laws. However, I do believe that enactment of this legislation would represent an important and effective step in the right direction.

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

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. 1353) to amend title 28 of the United States Code, "Judiciary and Judicial Procedure," and incorporate therein provisions relating to the U.S. Labor Court, and for other purposes, introduced by Mr. GRIFFIN (for himself and other Senators), 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. 1353

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

SECTION 1. Title 28, United States Code, "Judiciary and Judicial Procedure," is amended by inserting in the analysis of part I, preceding chapter 1, after the item

"11. Customs Court ..... 251"

the following new item:

"12. Labor Court ..... 271".

SEC. 2. Title 28, United States Code, is amended by adding immediately following section 255 thereof the following new chapter:

"CHAPTER 12—LABOR COURT

"Sec.
"271. Appointment and number of judges; character of court.
"272. Chief judge; designation.
"273. Precedence of judges.
"274. Tenure and salaries of judges.
"275. Principal seat and terms.
"276. Assignment of judges; hearings; divisions; quorum.
"277. Seal.
"278. Sessions.

"§ 271. Appointment and number of judges; character of court

"The President shall appoint, by and with the advice and consent of the Senate, fifteen judges who shall constitute a court of record known as the United States Labor Court. The term of office of judges of the United States Labor Court shall be twenty years, except that (1) of the judges first appointed, four shall be appointed for a term of office of five years, four shall be appointed for a term of office of ten years, four for a term of office of fifteen years, and three for a term of office of twenty years from the date of enactment of the Labor Court Act, as designated by the President at the time of appointment, (2) any judge appointed to fill a vacancy shall be appointed only for the unexpired term of the judge he succeeded, and (3) a judge shall continue to serve until the judge who succeeds him is appointed and has qualified.

"§ 272. Chief judge; designation

"The Labor Court shall, at least biennially, designate a judge of such court to act as chief judge.

"§ 273. Precedence of judges

"The chief judge of the Labor Court shall have precedence and preside at any session of the court which he attends.

"The other judges shall have precedence and, in the absence of an order of designation by the chief judge, shall preside according to the seniority of their commissions. Judges whose commissions bear the same date shall have precedence according to seniority in age.

"§ 274. Salaries of judges

"The judges of the Labor Court shall receive a salary of $33,000 a year.

"§ 275. Principal seat and terms

"The principal seat of the Labor Court shall be in the District of Columbia. The court may sit at such times and places within the United States as the court may fix by rule.

"§ 276. Assignment of judges; hearings; divisions; quorum

"The Labor Court may authorize the hearing and determination of cases by separate divisions, each consisting of one or more judges.

"The chief judge, pursuant to rule of court, shall assign judges to the respective divisions.

"A majority of the judges of the Labor Court shall constitute a quorum of the court but a majority of the number of judges assigned to a division shall constitute a quorum of such division.

"§ 277. Seal

"The Labor Court shall have a seal which shall be judicially noticed.

"§ 278. Sessions

"The time and place of the sessions of the Labor Court and its divisions shall be prescribed by the chief judge, pursuant to rule of court, with due consideration being given to the expeditious conduct of proceeding and the convenience of the parties."

SEC. 3. (a) Title 28, United States Code, section 331, first paragraph, is amended by inserting after "Patent Appeals," the following: "the chief judge of the Labor Court,".

(b) Title 28, United States Code, section 331, third paragraph, is amended by inserting after "Court of Claims" the following: "the chief judge of the Labor Court".

SEC. 4. Title 28, United States Code, section 373, first paragraph, is amended by inserting after "Virgin Islands," the following: "or of the Labor Court,".

SEC. 5. Title 28, United States Code, section 376, subsection (q) is amended by inserting after "Virgin Islands" the following: ", the judges of the Labor Court,".

SEC. 6. (a) Title 28, United States Code, section 451, second paragraph, is amended to read as follows:

"The term 'court of the United States' includes the Supreme Court of the United States, courts of appeals, district courts constituted by chapter 5 of this title, including the United States District Court for the District of Puerto Rico, the Court of Claims, the Court of Customs and Patent Appeals, the Customs Court, the Labor Court, and any court created by Act of Congress the judges of which are entitled to hold office during good behavior."

(b) Title 28, United States Code, section 451, fourth paragraph is amended to read as follows:

"The term 'judge of the United States' includes judges of the courts of appeals, district courts, Court of Claims, Court of Customs and Patent Appeals, Customs Court, Labor Court, and any court created by Act of Congress the judges of which are entitled to hold office during good behavior."

SEC. 7. Title 28, United States Code, section 456, second paragraph, is amended to read as follows:

"The official station of the Chief Justice of the United States, the justices of the Supreme Court and the judges of the Court of Claims, the Court of Customs and Patent Appeals, the United States Court of Appeals for the District of Columbia, the United States District Court for the District of Columbia, and the Labor Court, shall be the District of Columbia."

SEC. 8. Title 28, United States Code, section 610, is amended to read as follows:

"§ 610. Courts defined

"As used in this chapter the word 'courts' includes the court of appeals and district courts of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, the Court of Claims, the Court of Customs and Patent Appeals, the Customs Court, and the Labor Court."

SEC. 9. The analysis of "Part III—Court Officers and Employees", immediately preceding chapter 41, title 28, United States Code, is amended by inserting after the item

"55. Customs Court ..... 871"

the following:

"56. Labor Court ..... 911".

SEC. 10. Title 28, United States Code, is amended by adding immediately after section 873 the following new chapter:

"CHAPTER 56—LABOR COURT

"Sec.
"911. Clerk and employees.
"912. Law clerks and secretaries.
"913. Commissioners.

"§ 911. Clerk and employees

"(a) The Labor Court may appoint a clerk, and may appoint or authorize the appointment of other officers and employees in such number as may be approved by the Director of the Administrative Office of the United States Courts.

"(b) The clerk shall be subject to removal by the court. Other officers and employees shall be subject to removal by the court or, if the court shall so determine, by the clerk or other officer who appointed them, with the approval of the court.

"(c) The clerk shall pay into the Treasury all fees, costs, and other moneys collected by him. He shall make returns thereof to the Director of the Administrative Office of the United States Courts under regulations prescribed by him.

"§ 912. Law clerks and secretaries

"Each judge may appoint a secretary and, upon certification of necessity by the chief judge, a law clerk. Upon further certification of necessity by the chief judge a judge

may appoint one additional law clerk for the period of necessity: *Provided*, That no such additional law clerk may be appointed for a period longer than one calendar year from the date of appointment.

"§ 913. Commissioners

"(a) The Labor Court may appoint not more than ninety commissioners who shall be subject to removal by the court and shall devote all of their time to the duties of the office. Each commissioner shall be an attorney at law.

"(b) Each commissioner shall receive basic compensation at the rate of $26,000 a year, and also all necessary traveling expenses and a per diem allowance as provided in sections 835–842 of title 5, United States Code, while traveling on official business and away from Washington, District of Columbia.

"(c) The chief judge shall assign commissioners as the business of the court may require."

SEC. 11. (a) The analysis of chapter 83, immediately preceding section 1291, title 28, United States Code, is amended by inserting immediately below

"1292. Interlocutory decisions."

the following:

"1293. Labor Court decision."

SEC. 12. Title 28, United States Code, is amended by inserting the following new section immediately after section 1292:

"§ 1293. Labor Court decisions

"Except as otherwise expressly provided herein, the courts of appeals shall have jurisdiction to review on appeal final orders of the Labor Court in the same manner and to the same extent as decisions of the district courts in civil actions tried without a jury."

SEC. 13. Title 28, United State Code, section 1293, is amended by inserting "(a)" preceding the first paragraph and by adding at the end thereof the following new paragraphs:

"(b) An appeal from a reviewable decision of the Labor Court may be taken to the court of appeals for any circuit in which the unfair labor practice in question occurred, or wherein the party against whom the proceeding in the Labor Court was instituted resides or transacts business; or an appeal may be taken to the United States Court of Appeals for the District of Columbia Circuit by stipulation of the parties.

"(c) An appeal from a reviewable decision of the Labor Court may be taken by any person aggrieved thereby. The term 'person aggrieved' as used herein shall include and be limited to (1) any person against whom the decision is rendered, (2) the Administrator of the National Labor Relations Act, and (3) the person filing the charge upon which the proceeding is based, if the court has dismissed a complaint in whole or in part.

"(d) The Administrator shall be a party to any appeal taken as provided herein from any decision of the Labor Court."

SEC. 14. The analysis of "Part IV—Jurisdiction and Venue", immediately preceding chapter 81, title 28, United States Code, is amended by adding at the end thereof the following new item:

"96. Labor Court..... 1621".

SEC. 15. Title 28, United States Code, is amended by adding immediately following section 1583 the following new chapter:

"CHAPTER 96—LABOR COURT

"Sec.

"1621. Jurisdiction.

"(a) The Labor Court shall have exclusive jurisdiction to hear proceedings, render judgments, issue decrees including decrees granting injunctions, and issue certifications under the following:

"(1) Section 8 of the National Labor Relations Act as amended (U.S.C., title 29, sec. 158) and as further amended by section 19 of the Labor Court Act.

"(2) Section 9 of the National Labor Relations Act as amended (U.S.C., title 29, sec. 159), and as further amended by section 19 of the Labor Court Act.

"(3) Section 10 of the National Labor Relations Act as amended (U.S.C., title 29, sec. 160) and as further amended by section 19 of the Labor Court Act.

"(b) The decisions and certifications of the Labor Court under section 9 of the National Labor Relations Act, as amended (U.S.C., title 29, sec. 159), and as further amended by section 19 of the Labor Court Act shall not be subject to review in a court of appeals or elsewhere, except upon a review of a judgment under section 8 thereof which is based in whole or in part upon such decision of certification. In such case the record of such representation proceeding shall be included in the transcript of the entire record filed in the court of appeals, and thereupon the decision of the court of appeals shall be made upon the pleadings, testimony, and proceedings set forth in such transcript."

SEC. 16. The analysis of "Part VI—Particular Proceedings", immediately preceding chapter 151 of title 28, United States Code, is amended by inserting after the item

"169. Customs Court procedure..... 2631"

the following:

"170. Labor Court procedure..... 2651".

SEC. 17. Title 28, United States Code, is amended by adding the following new chapter immediately after section 2642:

"CHAPTER 170—LABOR COURT PROCEDURE

"Sec.

"2651. Proceedings before commissioners generally.

"2652. Proceedings, findings, and opinion of division; review.

"2653. Procedural rules.

"2654. Finality of orders.

"2655. Stay pending appeal.

"2656. Rules of practice.

"§ 2651. Proceedings before commissioners generally

"(a) In accordance with rules and orders of the Labor Court, commissioners shall fix times for hearings, administer oaths or affirmations to witnesses, receive evidence, and report findings of fact and their recommendations for conclusions of law and decision in cases assigned to them.

"(b) The rules of the court shall provide for the filing with the court of the commissioner's report of findings of fact and recommendations for conclusions of law and decision, and for opportunity for the parties to file exceptions thereto, and a hearing thereon before the court within a reasonable time. If no exceptions are filed to a commissioner's report, the findings of fact and the conclusions of law and decision recommended therein shall become the findings of fact, conclusions of law, and decision of the court. Unless on remand to the commissioner, the court shall not consider any issue of fact not raised by exception to the commissioner's report. The court shall by rule provide for the weight to be accorded to findings of fact by commissioners including findings based on credibility.

"§ 2652. Proceedings, findings, and opinion division; review

"A division of the Labor Court shall hear and determine any matters assigned by the chief judge.

"The decision of the division shall upon publication thereof become the decision of the court. Within thirty days following publication thereof the chief judge, either on his own motion or on motion by one of the parties, may order a review by the court in accordance with its rules, or within such thirty days three or more judges may order such review; and in either case the chief judge may enter an order staying the decision of the division pending such review. Such review shall be by a court of at least five judges, before which the parties shall have the right to appear, and the decision of which shall become the decision of the court.

"§ 2653. Procedural rules

"The trials and proceedings before the Labor Court, divisions of the court, and commissioners, shall be conducted in accordance with such rules of practice and procedure as the Labor Court may prescribe, such rules to conform as nearly as practicable with the Rules of Civil Procedure for the District Courts of the United States.

"The rules of evidence applied in the district courts in civil actions tried without a jury shall be applied in trials and proceedings of the Labor Court, its divisions, and commissioners."

SEC. 18. Provisions of the National Labor Relations Act, as amended, to be applicable except as specifically provided herein. All of the provisions of the National Labor Relations Act, as amended, shall remain in full force and effect, except that, wherever that Act refers to the National Labor Relations Board or the General Counsel of the Board, it shall be deemed to refer to the United States Labor Court or the Administrator of the National Labor Relations Act, as the case may be.

SEC. 19. The National Labor Relations Act, as amended, shall be further amended as follows:

(1) Section 2, Definitions, is amended by striking therefrom subsection (10).

(2) Section 3 is amended to read as follows:

"SEC. 3. (a) There shall be an Administrator of the National Labor Relations Act, who shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. The Administrator shall receive a salary of $30,000 a year. The Administrator may appoint such deputies, attorneys, and clerical assistants and employees as are necessary to perform his duties.

"The Administrator shall have authority in respect of the investigation of charges and in respect of the institution of unfair labor practice proceedings before the Labor Court.

"Subject to adjudication by the Labor Court as provided herein the Administrator shall also have authority to investigate representation petitions, conduct elections, and take other steps in connection therewith.

"(b) The Administrator shall have the exclusive authority to institute unfair labor practice proceedings in the Labor Court to enforce compliance with section 8 of the National Labor Relations Act, as amended.

"(c) Whenever a petition shall have been filed as provided in section 9(c) of the National Labor Relations Act, as amended, the Administrator shall have the exclusive right to investigate such petition, and if he is unable to dispose of the petition by withdrawal or by consent procedures, and finds that a question of representation is presented which should be adjudicated by the Labor Court, he shall certify the petition to the Labor Court for the decision of such question of representation subject to the provisions of and in the manner provided by section 9 of the National Labor Relations Act, as amended."

(3) Sections 4, 5, and 6 are hereby stricken.

(4) Section 8(a)(2) is amended to read as follows:

"(2) to dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it: *Provided*, That an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay;"

(5) Section 8(a)(3) is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(6) Section 8(b)(4)(D) is amended by

substituting the words "Labor Court" for "Board" where the latter appears therein.

(7) Section 8(b)(5) is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(8) Section 8(b)(7) is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(9) Section 8(d) is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(10) Section 9(b) is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(11) Section 9(c)(1) is amended to read as follows:

"(c)(1) Whenever a petition shall have been filed with the Administrator, in accordance with such rules as may be prescribed by the Labor Court—

"(A) by an employee or group of employees or any individual or labor organization acting in their behalf alleging that a substantial number of employees (i) wish to be represented for collective bargaining and that their employer declines to recognize their representative as the representative defined in section 9(a), or (ii) assert that the individual or labor organization, which has been certified or is being currently recognized by their employer as the bargaining representative, is no longer a representative as defined in section 9(a); or

"(B) by an employer, alleging that one or more individuals or labor organizations have presented to him a claim to be recognized as the representative defined in section 9(a); the Administrator shall investigate such petition and unless disposed of by informal agreement of the parties, the petition shall be certified to the Labor Court by the Administrator for the purpose of hearing and appropriate decision. If the Labor Court finds upon the record of such hearing that a question of representation affecting commerce exists, it shall direct an election by secret ballot to be conducted by the Administrator who shall certify the results thereof to the Labor Court."

(12) Section 9(c)(2) is amended to read as follows:

"(2) In determining whether or not a question of representation exists the Labor Court shall make no distinction in its decision because of the identity of the persons filing the petition or the kind of relief sought, and in no case shall the Labor Court deny a labor organization a place on the ballot by reason of any prior decree (or prior order of the National Labor Relations Board) with respect to such labor organization or its predecessor not issued in conformity with section 10(c)."

(13) Section 9(c)(3) is amended by striking the words "under such regulations as the Board shall find are consistent with the purposes and provisions of this Act".

(14) Section 9(c)(4) is amended to read as follows:

"(4) Nothing in this section shall be construed to prohibit the waiving of a hearing by stipulation for the purpose of a consent election in conformity with regulations of the Administrator and applicable decisions of the Labor Court."

(15) Section 9(d) is hereby stricken and section 9(e) is redesignated "(d)".

(16) Section 9(e)(1) is amended by substituting the word "Administrator" for "Board" where the latter appears therein.

(17) Section 10 is amended to read as follows:

"SEC. 10. (a) The Labor Court shall have jurisdiction, as hereinafter provided, and unaffected by any other means of adjustment of prevention that had been or may be established by agreement, law, or otherwise, to enjoin any person from engaging in any unfair labor practice (listed in section 8) affecting commerce.

"(b) Whenever it is charged that any person has engaged in or is engaging in any such unfair labor practice, the Administrator, or any agent designated by the Administrator for such purpose, shall investigate such charge and if, after such investigation, there is reasonable cause to believe such charge is true, the Administrator or his agent shall issue and cause to be served upon such person a complaint stating the charges in that respect, and shall file such complaint in the court. No complaint shall issue based upon any unfair labor practice occurring more than six months prior to the filing of the charge and the service of a copy thereof upon the person against whom such charge is made, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the Armed Forces, in which event the six-month period shall be computed from the day of his discharge. In determining whether a complaint shall issue alleging a violation of section 8(a)(1) or section 8(a)(2) of the National Labor Relations Act, as amended, no distinction shall be made because the labor organization affected is or is not affiliated with a labor organization national or international scope. The charging party shall, and any other person may, in the discretion of the court, be allowed to intervene in the said proceeding and to present evidence. Where the Administrator or his agent refuses to issue a complaint pursuant to a charge alleging the commission of an unfair labor practice, the charging party may appeal to the Labor Court which shall have authority to require the Administrator to issue and cause to be served and filed a complaint based on such charge.

"(c) If the court finds that any person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the court shall state its findings of fact and shall enter a decree requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action, including reinstatement of employees with or without back pay, as will effectuate the policies of this Act: *Provided,* That where a decree directs reinstatement of an employee, back pay may be required of the employer or labor organization, as the case may be, responsible for the discrimination suffered by him. If the court finds that the person named in the complaint has not engaged in or is not engaging in any such unfair labor practice, then the court shall state its findings of fact and shall dismiss the said complaint.

"(d) Upon the filing of a complaint, the court shall have jurisdiction, upon application by the Administrator, to grant such temporary relief or restraining order as it deems just and proper, notwithstanding any other provision of law, in any case in which it is alleged and there is reasonable cause to believe that substantial and irreparable injury to the charging party is threatened: *Provided, however,* That no temporary restraining order shall issue without notice to the person named in the complaint: *Provided further,* That a motion for a temporary restraining order shall not be denied where the complaint alleges violations of sections 8(b)(7), 8(e), or of the paragraphs (A), (B), or (C) of section 8(b)(4) and the court has reasonable grounds for believing such allegations to be true: *Provided further,* That no restraining order shall issue with respect to allegations in the complaint of unfair labor practices under section 8(b)(7) if a charge against the employer under section 8(a)(2) has been filed and after the preliminary investigation the Administrator, or any agent designated by the Administrator for that purpose, has reasonable cause to believe that such charge is true, and issues and causes to be served and filed a complaint based on such charge.

"(e) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of paragraph 4(D) of section 8(b) of this Act, the Administrator shall not issue a complaint if, within ten days after such charge has been filed, there is submitted to the Administrator satisfactory evidence that the controversy giving rise to the charge has been settled, or that effective methods for the voluntary adjustment thereof have been agreed upon and that such adjustment will be enforced.

"(f) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of sections 8(b)(7), 8(e), or of the paragraphs (A), (B), or (C) of section 8(b)(4), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred.

"(g) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of subsection (a)(3) or (b)(2) of section 8, such charge shall be given priority over all other cases except cases of like character in the office where it is filed or to which it is referred and cases given priority under subsection (f).

(18) Section 11 is amended to read as follows:

SEC. 11. For the purpose of all investigations which, in the opinion of the Administrator, are necessary and proper for the exercise of the powers vested in him by section 9 and section 10—

"(1) The Administrator, or his duly authorized agents, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any evidence of any person being investigated or proceeded against that relates to any matter under investigation or in question. The Labor Court shall, upon application of any party to such investigation or proceedings, forthwith issue to such party subpenas requiring the attendance and testimony of witnesses or the production of any evidence in such investigation or proceedings requested in such application. Within five days after the service of a subpena on any person requiring the production of any evidence in his possession or under his control, such person may petition the Labor Court to revoke such subpena, and the Labor Court shall revoke such subpena if it finds that the evidence whose production is required does not relate to any matter under investigation, or any matter in question in such proceedings, or if it finds that such subpena does not describe with sufficient particularity the evidence whose production is required. Such attendance of witnesses and the production of such evidence may be required from any place in the United States or any Territory or possession thereof, at any designated place of hearing;

"(2) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the subpena of the Labor Court, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(3) Complaints, orders, and other process and papers of the Labor Court, may be served either personally or by registered mail or by telegraph or by leaving a copy thereof at the principal office or place of business of the person requiring to be served. The verified return by the individual so serving the same setting forth the manner of such service shall be proof of the same, and the return post office receipt or telegraph receipt therefor when registered and mailed or telegraphed as aforesaid shall be proof of service of the same. Witnesses summoned before the Labor Court, a division thereof, or commissioner, shall be paid the same fees and mileage that

are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

"(4) All process of the Labor Court may be served anywhere in the United States or any Territory or possession thereof."

(19) Section 12 is amended to read as follows:

"SEC. 12. Any person who shall willfully resist, prevent, impede, or interfere with the Administrator or any of his agents or agencies in the performance of duties pursuant to this Act shall be punished by a fine of not more than $5,000 or by imprisonment for not more than one year, or both."

(20) Section 14 is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(21) Section 18 is hereby stricken.

SEC. 20. TRANSFER OF PROCEEDINGS TO THE LABOR COURT.—

On the effective date of this Act, proceedings pending before the General Counsel of the National Labor Relations Board or before the National Labor Relations Board shall be suspended and thereafter transferred as expeditiously as possible to the Administrator or to the Labor Court in the following manner:

(1) Proceedings pending before the General Counsel in which no formal action has been taken shall be transferred to the Administrator, who shall dispose of them in the manner prescribed herein and in accordance with the provisions of the National Labor Relations Act, as amended.

(2) Proceedings pending before the National Labor Relations Board shall be transferred to the Labor Court for hearing and decision, de novo: *Provided, however,* That the Labor Court may, at the discretion of the trial judge, treat any intermediate report and recommendation issued by a trial examiner of the National Labor Relations Board as if it were a report and recommendation made by a commissioner of the Labor Court.

(3) Any decision and order issued by the National Labor Relations Board prior to the effective date of this Act which has not as of the effective date of this Act been enforced or reviewed by a court of appeals having jurisdiction under the National Labor Relations Act, as amended, to enforce and review such decision shall have full force and effect and shall be subject to enforcement or review in accordance with the provisions of section 10 of the National Labor Relations Act as heretofore amended. In respect to the enforcement or review of any such case in the courts of appeals, the Administrator of the Labor Court shall exercise the function and have the authority and responsibility vested in the National Labor Relations Board by the National Labor Relations Act, as heretofore amended.

SEC. 21. This Act shall take effect on the one hundred and eightieth day after the day of its enactment.

Mr. PERCY. Mr. President, I commend the able junior Senator from Michigan for his leadership and his expertise in the labor law field which he has again demonstrated this afternoon with the introduction of the Labor Court Act of 1967.

Mr. President, when I served as chairman of the Republican Committee on Program and Progress, I worked with John Stender, vice president of the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers & Helpers, AFL–CIO, in crystallizing the Republican attitude toward the labor movement. Our report, "Decisions for a Better America," published in a paperback edition by Doubleday in 1959, contained the following pledge:

The Republican Party seeks a better life for the working men and women of America. Labor unions have contributed importantly to this better life, and to the vigor of the American system. They are an essential institution in the fabric of American life both today and tomorrow.

The well-being of our country and all its citizens is strengthened if the freedom and prosperity of America's working people are assured. We thus propose a dedicated effort to achieve these aims.

Accordingly, I am proud to sponsor this thoughtful proposal which I hope will enrich the dialog presently in progress on the means by which labor-management relations can be stabilized. The thrust of this bill is to replace the National Labor Relations Board with a judicial body, which would decide cases on the basis of congressional policy and previous decision. The present disposition of the Board to rely on changing policies and even to reverse their own recent decisions has proved detrimental, in my judgment, to both labor and management. It has resulted in an atmosphere of increasing confusion, unrest, and hostility.

Such decisions, which define the limits and rules of labor management conduct, should be as precise and predictable as other legal decisions that regulate our growing, maturing industrial sector. I am happy to endorse the salutary principle of removing from politics and from the vagaries of political pressure and change the formulation of these vital guideposts so essential to labor-management stability.

The approach of this bill has the backing of labor and management alike. It has been particularly impressed upon me by such outstanding members of organized labor as Harold Hosier, president of the International Mailers Union; Mel Waters of the United Retail Workers Association; and Paul Petrick, editor and publisher of the National Independent Labor Journal. These union leaders, who are devoting their lives to strengthening the rights of organized labor, enthusiastically endorse the principles embodied in the Labor Court Act of 1967.

STOCK OPTION ABUSE

Mr. METCALF. Mr. President, I am today introducing legislation to repeal section 204(f) of the Federal Power Act. That is the provision which excludes from Federal Power Commission jurisdiction the regulation of security issues by an electric utility "organized and operating in a State under the laws of which its security issues are regulated by a State commission."

The effect of section 204(f) is to prohibit Federal Power Commission regulation of security issues of most power companies. There are only four States in which there is no State commission with power to regulate security issues by public utilities. Those States are South Dakota, Minnesota, Texas, and Iowa. The FPC claims jurisdiction over security issues of 17 power companies in these four States. Five of the seventeen companies contend that they are not under FPC jurisdiction. In addition, FPC has jurisdiction over the security issues of 11 power companies which are incorporated in one State but operate in another, and of one company whose charter makes it not subject to State regulation. These 29 power companies whose securities are subject to FPC regulation constitute approximately 13 percent of the 216 major power companies in the Nation.

Section 204(f) was apparently based on the presumption that State regulatory commissions could and would regulate security issues of utilities within their States. Unfortunately, in many instances, the presumption has been proven invalid. The failure of State regulatory commissions in this respect is illustrated by the rapid growth of restricted stock option plans within the electric power industry.

A restricted stock option is a right, extended by a company to a limited number of persons, to purchase common stock in the future, at the price for which the stock sold when the option was granted. A case can be made for granting stock options in risk enterprises whose success or failure depends largely on the ability of executives to develop and sell a product profitably in a competitive market. However, electric utilities are not in that category. They have a monopoly within their service area. They sell an essential product. Their revenue is related more to the size of their investment than it is to competition in the marketplace. The law requires that the utilities' rates be sufficient to cover all expenses, including taxes and salaries, plus profit. Free enterprise businesses fail at the rate of about 15,000 a year. In contrast, electric utilities, as agents of the State, are not permitted to fail or even to fail to make a profit.

Generally speaking, stock option plans can lead to extraordinarily high income which is not necessarily related to executive performance. Factors other than executive ability lead to bright prospects for an industry and higher and higher market prices of stock. This is especially true in the case of electric utilities. Our expanding economy requires a doubling of electric energy every 10 years. Utility issues are often recommended by investors as "growth" stocks.

When millions of dollars' worth of stock are sold to power company officials holding stock options, at a fraction of the market value, both the stockholder and the electric consumer suffer. The loss of capital, because of the sale of stock at the below-market option price, amounts to capital foregone. Capital has to be raised somewhere else. Increasingly, that money comes from the electric consumers.

The industry phrase for this practice is "internal cash generation." The consumer is forced to contribute capital through his electricity bill. But the consumer receives no stock, no dividends, no equity, no options.

In 1954 internal cash generation provided one-third of the power industry's total construction expenditures. By 1963, internal cash generation provided almost two-thirds of the industry's construction needs. Electricity rates are so high, in proportion to need for utility

operations, expansion, and profit, that relatively little or no stock has to be sold in order to raise money. About half of the power companies in this country do not plan to sell any more common stock during the rest of the sixties. Some companies are "internally generating" up to 120 percent of the funds they need for new construction. This revolution in utility financing makes the market for utility stocks even more attractive. And, of course, the company insiders who bought their stock at $25 or $50 per share receive as large a dividend as the ordinary stockholder who paid $100 for his share, purchased on the same day.

Mr. President, ordinary power company stockholders are powerless to stop this dilution of their equity by issuance of restricted stock options. Power companies are run by management, by proxy. At the 1963 annual meetings and elections of the then 222 major power companies, every single vote was cast by proxy or by holding company in almost 60 percent of the cases. More than 99 percent of the votes were cast by proxy or holding company in about 85 percent of the meetings. More than 90 percent were cast by proxy or holding company in about 94 percent of the meetings. In the remaining 6 percent, a few individuals or companies together cast a majority of the vote.

Electric consumers are likewise powerless to prevent dilution of stock by options and consequent forced contributions of capital by the consumers. The regulatory commissions are supposed to protect the interests of both the stockholder and the ratepayer. But in a number of States regulatory commissions have nevertheless approved stock option plans for investor-owned utilities.

Use of restricted stock options by utilities is a relatively new development. It began in the early fifties, after Congress permitted profits from sale of stock to be taxed as a capital gain, at a maximum rate of 25 percent, rather than as ordinary income.

In 1953, an option plan was approved by stockholder proxy votes for Texas Utilities, the holding company which controls Dallas Power & Light, Texas Electric, and Texas Power & Light. Texas is one of the four States which does not have a State commission with power to regulate security issues by public utilities—in fact there is no State commission regulation of electric utilities in any way in Texas. Texas Utilities did not have to go before any commission to start its stock option plan. During that same year a stock option plan was initiated by Eastern Gas and Fuel Associates, one of whose subsidiaries is an electric utility, Boston Gas. Central Kansas Power and Montana Power initiated their option plans in 1954, Green Mountain Power, Vermont, and Nevada Power in 1955, Southwestern Public Service, Texas, in 1956. Cleveland Electric Illuminating, Missouri Utilities and United Gas Improvement—a combination electric-gas company in Philadelphia—joined the option club in 1957, Kansas City Power & Light, New Mexico Electric Service, and Washington Water Power in 1958, Tampa Electric in 1960.

Because of the relief from FPC regulation granted by section 204(f) of the Federal Power Act, only one of those companies had to obtain Federal Power Commission approval of its stock option plan. That one exception was Montana Power. It was then headquartered in New Jersey, but operating principally in Montana, and thus came under FPC jurisdiction. In 1956, when its stock option plan was considered by the FPC, approval was not difficult to obtain from the FPC. The Commission approved the Montana Power stock option plan without even holding a hearing. Let me point out here that none of the present members of the Commission were on it at that time.

Utility use of stock options accelerated about 6 years ago. Holding companies subject to jurisdiction of the Securities and Exchange Commission had not been able to initiate option plans by simply going to the State regulatory commissions. The big holding companies had to obtain approval of the SEC. Shortly before the 1960 election Middle South Utilities, the New York holding company which controls Arkansas Power & Light, Louisiana Power & Light, Mississippi Power & Light, and New Orleans Public Service, asked the SEC for approval of its proposed stock option plan. SEC overruled strong staff objections to the proposal and approved it on February 7, 1961. A few days later, SEC approved the stock option plan of Ohio Edison, which controls Pennsylvania Power. The following year SEC approved the stock option plan of Central and Southwest, a Delaware holding company which, from a Chicago office, controls four southern and southwest power companies—Central Power & Light, Corpus Christi, Public Service Co. of Oklahoma, Southwestern Electric Power, Shreveport, and West Texas Utilities. During the early sixties two more companies, whose security issues are not subject to Federal regulation, initiated stock option plans. They are Central Louisiana Power and Florida Public Utilities.

Thus 32 power companies, at least, now have stock option plans. I say at least because there may be others. The literature in this field is scant. For some reason, power company officials do not issue press releases or make speeches about stock options. One may find some footnoted references to stock option plans in small type in annual reports of utilities. Sometimes the annual reports make no mention at all of the scope or even the existence of the option plans.

It is impossible to determine the profits obtained through utility stock options and to consider these profits in ratemaking. The entire system of utility regulation rests on the accounting system. No one knows what the future price of stock will be. Therefore, option profits are over and above the salaries and fringe benefits which are considered in establishment of rates. Those salaries and fringe benefits are not inadequate. Median annual salary for chief executives of the largest municipal power systems—those city-owned systems with gross revenues exceeding $10 million annually—was $20,000 in 1963. In contrast, in 1963, the average salary of chief executives of investor-owned utilities was $89,000. Their annual retirement benefits averaged 42 percent of annual pay.

Officials of some investor-owned utilities receive, in addition to their generous salaries and retirement plans, hundreds of thousands of dollars each, in stock option benefits. For example:

G. L. MacGregor, president of Texas Utilities, has picked up about $350,000 in windfall option profits since 1957. The $350,000 windfall is the difference between what he paid for stock and the prices which ordinary stockholders paid for the same number of shares purchased when he bought his.

President W. W. Lynch, of Texas Power & Light, has picked up about $200,000 in option windfalls since 1957.

Chairman of the Board H. L. Nichols, of Southwestern Public Service, has made about $200,000 on options.

President C. A. Tatum, Jr., of Dallas Power & Light, has made about $100,000 on options.

R. O. Linville, vice president and controller of Kansas City Power & Light, made about $100,000 in one stock option transaction in 1964.

Chairman of the Board Elmer L. Lindseth, of Cleveland Electric Illuminating, has received approximately $225,000 in windfall profits from options since 1962.

Chairman of the Board Kinsey Robinson, of Washington Water Power, made approximately $78,000 in one stock option transaction in 1964.

Stock option beneficiaries are accorded tender tax treatment. When the stock is sold the tax is at the long-term capital gains rate of 25 percent or less. If the executive is well-advised by tax experts he gives some of his stock away, to his wife, his children, to a family foundation, his favorite charity, or even—in the case of one Texas utility executive—to a prospective daughter-in-law. In these cases the optioned executive does not pay any tax at all. Furthermore, in many cases, the market value of the stock, rather than the lesser option price which he paid, can be deducted from his own personal income before taxes.

In this way his family is happy, his favorite charities are happy, and he becomes known as a great philanthropist, viewed with reverence and respect by the ordinary power company stockholders and customers, who are blissfully unaware that it was in a sense their money which he gave away.

In 1964 the Federal Power Commission came to grips with the stock option abuse. In a landmark decision, which I shall later insert in the RECORD, the Commission disapproved a stock option plan proposed by the Black Hills Power & Light Co. Thus the Commission now has a public interest policy. However, because of section 204(f) of the Federal Power Act, the Commission has few places to apply this sound policy.

The Black Hills Power & Light Co. was only the second stock option plan to come before the FPC. As indicated previously, the Commission now has jurisdiction over security issues of only 28 power companies. Commission juris-

diction fails to reach almost 200 of the major companies.

A power company, thanks to section 204(f), can escape from FPC jurisdiction over security issues by doing two things: First, simply moving company headquarters to the State where it operates; and second, getting through the State legislature a law vesting authority over utility security issues in the State public service commission.

To illustrate how a company escapes jurisdiction, and the consequent detriment to the public interest, I cite the case of the utility which serves my Helena home.

In 1951 a law satisfying the second provision of section 204(f) slipped through the Montana Legislature. The Governor of Montana was then John W. Bonner. He vetoed the bill. Governor Bonner states in his veto message of March 1, 1951:

> The Montana Public Service Commission does not have the facilities or the personnel to pass upon the issuance of securities of any corporation, * * * The existing Federal agencies have the trained personnel and the experience necessary for the uniform examination, investigation, and regulation of public utility corporations, and the interest of the people will be better safeguarded by retention of the present system.

Ten years later, in 1961, a similar bill slipped through the Montana Legislature. John W. Bonner was no longer Governor. The bill was signed into law.

That same year the Montana Power Co. moved its headquarters from New Jersey to Montana, thus satisfying the other condition set forth in section 204(f). The company, whose first stock option plan had been approved without hearing by the Federal Power Commission in 1956, by 1961 had obtained stockholder approval—by proxy—of a second stock option plan. Because of the new State legislation and the move home from New Jersey to Montana, the company did not have to obtain approval of the Federal Power Commission in 1961, a commission which, under Chairman Joseph Swidler, was safeguarding the interests of the electric consumers and the ordinary stockholders. All the company had to do was obtain the approval of the Montana Railroad and Public Service Commission which, as Governor Bonner had observed, did not "have the facilities or the personnel to pass upon issuance of securities of any corporation."

The approval of the State commission was obtained within a week. Montana Power officials gleefully passed around to company insiders options to purchase another large parcel—450,000 shares—of company stock.

Mr. President, the enormity of this stock-watering option scheme is staggering. This one company has set aside 750,000 shares of stock, about 10 percent of the company's total stock, about $30 million worth of stock, for sale to company insiders at the option prices. Some of them can buy stock for approximately one-third or one-fourth of its price to ordinary stockholders. More than 100 persons are participating in the stock option plan. Already approximately 500,000 shares—7 percent of the total stock—have been purchased by company insiders at a fraction of their market value through exercise of options.

The president of the Montana Power Co. has already acquired or has options on about $2 million worth of stock. In one day he picked up $370,000 on a stock option transaction. He made more in that one transaction than the three members of the State public service commission and its 18 staff members make in salary in 2 years.

The company has not disclosed who most of the optioned elite are. This failure to disclose option beneficiaries is not uncommon among power companies.

Mr. President, utility regulator commissions in many other States are as poorly equipped as the one in mine to delve into and evaluate the intricate financial proposals of the Nation's largest industry. Regulatory commissions in about half the States have staffs of less than 50 persons. Yet these commissions are charged with regulating from 2 to 19 different types of business, involving hundreds, sometimes thousands of companies. In one State, Delaware, the commission staff consists of eight people. The commissioners there receive a salary of $4,500 a year, or $86.54 per week. In Nevada the commission recently asked the legislature for enough funds to hire a full-time attorney. The request was denied. In a number of States the commissions rely on data submitted by the utilities because the commissions simply do not have the staff to make independent studies.

Mr. President, the bill which the cosponsors of this legislation and I introduce today is in the public interest. It is time to assign regulatory responsibility to a commission which has the facilities and competence to evaluate proposed security issues and the fortitude to say "No" to powerful persons who seek special favor at the expense of power company investors and the millions of electric consumers who are unable to shop for a bargain in electricity.

Mischievous section 204(f) was not a part of the legislation originally proposed by Senator B. K. Wheeler and the late Speaker Sam Rayburn, who coauthored the Federal Power Act of 1935. Section 204(f) has led to abuse and it should be repealed.

Mr. President, I ask unanimous consent to insert immediately following these remarks a list of those few companies whose security issues are now subject to FPC regulation, the text of the FPC order and opinion number 433 dated June 30, 1964, in which the objections to a stock option plan by a public service company are elaborated, and the text of my bill.

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

The bill (S. 1355) to repeal the provisions of the Federal Power Act which exempt from Federal Power Commission regulation the issuance of securities by public utilities subject to certain State regulation, introduced by Mr. METCALF, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 1355

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That effective on the thirtieth day after the date of enactment of this Act, subsection (f) of section 204 of the Federal Power Act (16 U.S.C. 824c (f)) is repealed.

The list and opinion presented by Mr. METCALF are as follows:

SUMMARY OF FPC JURISDICTION OVER SECURITY ISSUES UNDER SECTIONS 204 AND 318 OF THE FEDERAL POWER ACT

I. STATES IN WHICH FPC HAS JURISDICTION BECAUSE THERE IS NO STATE COMMISSION WITH POWER TO REGULATE SECURITY ISSUES BY PUBLIC UTILITIES

[Companies affected and State of incorporation in parenthesis]

South Dakota: Black Hills Power & Light Co. (South Dakota).

Minnesota: Minnesota Power & Light Co. (Minneapolis); Northern States Power Co. (Minnesota); Otter Tail Power Co. (Minnesota).

Texas: Community Public Service Co. (Texas); Dallas Power & Light Co.[1] (Texas); El Paso Electric Co. (Texas); Gulf States Utilities Co. (Texas); Houston Lighting & Power Co.[1] (Texas); Southwestern Electric Service Co.[1] (Texas); Texas Electric Service Co.[1] (Texas); Texas Power & Light Co.[1] (Texas).

Iowa: Iowa Electric Light and Power Co. (Iowa); Iowa-Illinois Gas & Electric Co. (Iowa); Iowa Power and Light Co. (Iowa); Iowa Public Service Co. (Iowa); Iowa Southern Utilities Co. (Delaware).

II. COMPANIES INCORPORATED IN ONE STATE BUT OPERATING IN ANOTHER (EXCEPTING THOSE OTHERWISE EXEMPT)

Idaho Power Co. (incorporated in Maine, operating in Idaho).

Interstate Power Co. (incorporated in Delaware, operating in Illinois, Iowa, etc.).

Iowa Southern Utilities Co. (incorporated in Delaware, operating in Iowa).

Kansas Gas and Electric Co. (incorporated in West Virginia, operating in Kansas).

Consumers Power Co.[1] (incorporated in Maine, operating in Michigan).

Detroit Edison Co.[1] (incorporated in New York, operating in Michigan).

Citizens Utilities, Inc. (incorporated in Delaware, operating in Arizona, Idaho, Vermont).

Montana-Dakota Utilities, Inc. (incorporated in Maine, operating in Montana, North Dakota, South Dakota, Wyoming).

Pacific Power & Light Co. (incorporated in Maine, operating in five other States).

Northwestern Public Service Co. (incorporated in Delaware, operating in South Dakota).

Western Power & Gas Co. (incorporated in Delaware, operating in Colorado).

Special situation: Holyoke Water Power Co. (Massachusetts).

This company is subject to FPC regulation with regard to security issuance because provisions of its charter make it not subject to Massachusetts public utility regulation.

Holding company subsidiaries

Utilities whose security offerings are subject to SEC review under the Public Utility Holding Company Act are not required to seek FPC approval thereof despite any of the foregoing conditions.

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[1] These companies are jurisdictional according to the Bureau of Power list of January 1, 1963; formerly they had been classified as intrastate. The companies maintain they are not jurisdictional.

UNITED STATES OF AMERICA,
FEDERAL POWER COMMISSION.

BLACK HILLS POWER & LIGHT CO., DOCKET NO. E-7046, OPINION NO. 433—OPINION AND ORDER DENYING AUTHORITY FOR ISSUANCE OF COMMON STOCK (ISSUED JUNE 30, 1964)

(Before Commissioners Joseph C. Swidler, Chairman; L. J. O'Connor, Jr., Charles R. Ross, Harold C. Woodward, and Davis S. Black.)

Chairman SWIDLER. This case involves an application by Black Hills Power & Light Co. (Black Hills or applicant) for authorization under section 204 of the Federal Power Act to issue and sell up to 10,000 shares of common stock to executives and key employees under a restricted stock option plan approved by the Black Hills stockholders in April 1962.[1] In June 1962, options to purchase 7,400 shares were granted to 16 key officers and employees at a price of $37.25. Options on 2,600 shares were reserved for future use.

Briefly, the plan provides for the issuance and sale of up to 10,000 shares of optioned stock prior to February 1, 1982. Options for terms of up to 10 years may be granted at any time before February 1, 1972. The price for the optioned shares, which is fixed at the time of issue of the option, is to be not less than 95 percent of the market price of the stock on the date of the grant, the limit provided in the Internal Revenue Code of 1954 for realization of the full tax benefit under section 421. The options are exercisable only by the grantees during their respective lifetimes (or in the event of death by their heirs within 1 year); are not exercisable for 1 year from the date of grant; and are exercisable to the extent of 25 percent of the optioned shares for each year after the first year, provided the grantee remains in the employ of the applicant or a subsidiary. The plan is to be administered by a committee comprised of members of the board of directors.[2] This committee will determine when and to which employees options shall be granted.

The application was filed July 23, 1962, in accordance with our rules but without detailed information as to the justification for the plan. The Commission initially disposed of the application without hearing, denying approval of the applicant's plan by a vote of 3 to 2.[3] The Commission found that "* * * where a company proposes to sell stock for purposes other than the raising of needed funds, and particularly where the beneficiaries are top management officials of the company, we should authorize the proposal, if at all, only after a comprehensive showing that the proposal, in its mode of operation as well as basic intent, is reasonably necessary or appropriate to achieve some lawful object of the company and otherwise compatible with the public interest."[4]

On January 24, 1963, Black Hills applied for rehearing, indicating that it was prepared to show that the criteria of section 204 had been met. Rehearing was granted February 21, 1963, and a hearing was ordered so that both the applicant and the Commission staff might have an opportunity to introduce comprehensive evidence. The hearing was held in June 1963, and on November 26, 1963, the presiding examiner issued his initial decision (1) authorizing the issuance and sale of 7,400 shares upon condition that the option price be changed from $37.25 per share to not less than $43.60 per share, and (2) denying authorization for the remaining 2,600 shares without prejudice to the filing of further applications at such times as options for such stock are granted. Exceptions to the examiner's decision were filed by staff, and the applicant filed a reply to staff's exceptions.

The issues in this case are framed by the provisions of section 204 of the act, under which the Commission is empowered to authorize the issuance of securities by a public utility. Section 204(a) provides:

"No public utility shall issue any security * * * unless and until, and then only to the extent that, upon application by the public utility, the Commission by order authorizes such issue or assumption of liability. The Commission shall make such order only if it finds that such issue * * * (a) is for some lawful object, with the corporate purposes of the applicant and compatible with the public interest, which is necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility and which will not impair its ability to perform that service, and (b) is reasonably necessary or appropriate for such purposes."

Under the criteria set forth in the quoted paragraph, the Commission must give consideration first to the object or purpose of the stock issue, and second to its use as a means of accomplishing that object or purpose. With respect to the object or purpose, the Commission must determine the following: (1) That it is lawful; (2) that it is within the corporate purposes of the applicant; (3) that it is compatible with the public interest; and (4) that it is necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility and will not impair its ability to perform that service. With respect to using a stock issue as a means of accomplishing that object or purpose, the Commission must determine that it is reasonably necessary or appropriate to that end. Unless the Commission can make these statutory findings, the application must be denied.

Although applicant indicates that it will utilize the net proceeds from the stock sales for additions and improvements to its properties, the stock option plan is not designed to secure additional capital. The fundamental and admitted purpose of the issue is to provide for additional compensation for key executives beyond present salaries by allowing optionees to purchase stock, at a discount and under favorable tax conditions, and to share in company profits through dividends and capital gains. The plan purports to provide an incentive for such personnel to remain with the company and for qualified new people to seek employment. The issue in this case is whether this plan is compatible with the public interest within the meaning of section 204.

The Commission staff raises serious questions with respect to (a) the compatibility of stock options with the public interest, (b) their consistency with the performance of the applicant's services as a public utility, and (c) the reasonable necessity or appropriateness of using stock options to accomplish the stated purpose of the plan. Staff's objections are directed both to Black Hills' specific proposal and to all restricted stock options plans for regulated public utilities.

The applicant presented three witnesses who urged the approval of stock options as a means of executive compensation. They stated that the option plan was adopted only after prolonged study of the need to retain and attract key personnel and of the possible alternative methods of providing the necessary incentive; and that it was approved at the annual meeting of stockholders held on April 10, 1962. Further, they noted that the plan has since been favorably received by the optionees. They testified that the option plan offers benefits to both the optionees and the company which are absent in increased salary compensation, and that the company is already paying salaries as high as its economics will permit. The witnesses emphasized that Black Hills is a small company, operating in a rugged terrain and in competition with the service furnished by rural cooperatives, as well as with natural gas service; that the company needs an aggressive management to insure its growth and prosperity; that, being a small company, key personnel have broad responsibilities, thus making the company dependent upon their services at the same time that their broad experience made them highly attractive to other companies looking for executive talent; and that Black Hills must compete for managerial and executive talent with companies paying higher salaries and offering employee stock options. They also presented testimony to show that consideration was given to the impact of the stock options on the company's financial situation; that, since the option price exceeds the book value of the outstanding shares, in their view there would be no impairment of the capital structure; and that the number of shares subject to options is small in relation to the number of outstanding shares, thus precluding the possibility of any serious dilution of the per-share earnings or of any substantial adverse impact on the cost of equity capital and the rates charged to the company's utility customers, pointing out that the proposed issue of 10,000 shares represents 2.22 percent of the approximately 450,000 shares currently outstanding.

Staff's presentation, while directed to the specific proposal by Black Hills, was designed also to show that public utilities generally should not be permitted to use restricted stock option plans. The staff witness took the position that the inevitable inability to determine the cost of such plans violates public utility accounting principles and frustrates regulatory supervision and control; and that because of the difficulty of evaluating the dollar impact of such plans, executives may be inclined to a philosophy in which they would be preoccupied with obtaining excessive compensation to the detriment of both consumers and shareholders. He stated that there is no direct relationship between executive efficiency and stock market prices for regulated utilities, so that it cannot be assumed that the stock option type of compensation will encourage such efficiency.

The staff witness emphasized the hidden nature of option costs, the dominance of factors other than managerial efficiency in determining earning power and profits, and the possibilities of dilution as the primary reasons for denial of stock options to regulated utilities. He further testified that these public interest considerations warrant a denial of Black Hills' application even though in this case dilution is not a "particularly significant problem," because of the possibility that approval of one such plan was likely to encourage the filing of more ambitious plans with hidden and cumulative costs equally difficult to appraise.

For these reasons staff argues that such plans are not appropriate to compensate management and would impair the company's ability to perform the services of a public utility and are, therefore, not compatible with the public interest within the meaning of section 204(a).

The examiner, reviewing the testimony of the applicant's witness with respect to the need for the stock option plan and the advantages which prompted the company to adopt the plan, found the plan to be reasonably necessary or appropriate for its intended purpose. He accepted the testimony of the applicant's witnesses that the company is paying salaries as high as its financial situation warrants, making further increases impracticable. He further noted the

[1] The recent amendments to the Internal Revenue Code, secs. 421–425, 78 Stat. 19, 63–71, placing further limitations on the terms of stock option plans for income tax purposes would necessitate some changes in the instant application.

[2] Article III of the plan provides that neither the members of the committee nor any member of the Board of Directors who is not an officer or employee of the company shall be eligible for options under the plan.

[3] 28 FPC 1121 (1962).

[4] Id. at 1125.

impossibility of making a meaningful comparison of benefits between stock options and salary increases, since many benefits, other than the additional dollars received, must be considered in connection with the stock options. He concluded that even if it were possible reasonably to calculate the profit possibilities to the optionees and compare them with salary increases, it would be futile if the optionees in fact preferred the options; and in his judgment the evidence revealed that dollar for dollar the stock option plan is more attractive than a pay raise. Also, in terms of benefits to the company, he found that as a device for retaining key people the stock option plan has advantages not matched by a salary increase program of like dimensions.

On the question of dilution, the examiner found that there would be no adverse effect on the average net asset value of the company's stock, which at the end of 1962 was about $25 per share, by the granting of options to purchase new stock at $37.25. However, the possibility of some dilution of the earning power of the company's stock led the examiner to modify the option price to $43.60 as a condition of his approval of the plan. This is the price which he computed would, as new investment, return the same earnings as were realized on the company's rate base for the year 1962, the last year for which figures were available at the hearing. Finding that the company earned 6.33 percent on its rate base in 1962, and that its earnings per share for 1962 were $2.76, he concluded that the option price should be the amount of new investment which at 6.33 percent would produce earnings of $2.76; i.e., $43.60. It was his judgment that at this price the company's stock would continue to hold its value, other things being equal and the sale of the optioned shares at a discount would not detract from the company's ability to render service. With respect to the 2,600 shares not yet included in option grants, the examiner said that authority to issue and sell such shares should be withheld until such time as the company desires to grant the options, when the proper option price can be determined on the basis indicated above.

Staff's exceptions charge that the examiner misconstrued the issues and that he did not consider the important questions raised by it. Staff is especially concerned with his failure to consider the question of the inability to determine the cost of and the proper accounting for option costs in a regulated industry. Staff also cites his failure to consider the question of the relationship or, rather, lack of relationship between executive service and the stock prices which measure the reward under the option plan.

In our view the record in this case raises serious questions of the compatibility of stock option plans of public utilities with the responsibilities of a regulated enterprise under the Federal Power Act. We are not of the opinion that executive stock options are prohibited by section 305(a) of the act which makes it unlawful for officers and directors to benefit from the sale of securities. A public utility is free to apply for approval of such a stock issue if it believes that its proposal can be justified under section 204(a). Our objections go rather to the merits of the requirements of the act that security issues must be compatible with the public interest. As we view the evidence the applicant has not made out a case for approval under section 204(a). As the Commission recently held, "the plain purpose of section 204 is to prevent the issuance of securities which might impair the company's financial integrity or its ability to perform its public utility responsibility." [5]

It is by this standard that the present application is to be judged and it is by this standard that applicant's plan fails.

Electric utilities are public service companies serving under franchises and certificates granted by agencies of Government and possessing the power of eminent domain and other special privileges not available to ordinary companies. While there is an increasing amount of competition between the various forms of energy, electric service maintains a monopoly position for many uses and, even where subject to competition from other energy sources, the rivalry is not of the kind that normally assures reasonable prices for goods and services in a free enterprise situation. For this reason electric utilities are subject to regulation; otherwise they could take advantage of their monopoly position to charge excessive rates and make exorbitant profits. The function of regulatory agencies is to exercise a positive influence on the welfare and growth of this industry which is fundamental to the progress of our entire economy by controlling rates and profits and by focusing the attention of management on their public service responsibilities. The incentives under stock option plans, however, tend naturally to divert management from their responsibilities to the public and to focus their attention on maximizing prices and earnings in order to push stock quotations ever higher.

In nonregulated industry the ostensible reason for stock option plans is simple.[6] It is to maximize profits. Whether they fulfill this purpose is another question, but the purpose is unchallenged. The maximization of profits over the long term is an important management responsibility. Indeed, in those where price is controlled by the free interplay of competitive forces, perhaps the outstanding measure of management's competence is to be found in its ability to produce the highest earnings and greatest return on the shareholder's investment. In regulated industry this purpose cannot be accepted. The goal here must rather be effectiveness in the performance of a public service and the measure of executive endeavor is and must remain not the judgment of the stock market on present and future profits but success in providing a service upon which our entire economy is dependent, not at the highest prices which can be obtained but at the lowest rates consistent with the health of the industry and its ability to care for the future needs of its customers. An overriding personal stake in the stock market is doubtfully compatible with the public service responsibilities of the management of a public utility. The electric power industry of today recognizes that it must perform its work with a broad regard for the interests of consumers and the general public, as well as the interests of stockholders and management. Stock option plans do not lend themselves to this balanced management attitude.

The record made in this proceeding affords no basis for concluding that there is any positive relationship between the companies in the vanguard of the electric power industry on the technology and policy levels and those which have adopted stock option plans. There is also no basis for concluding that such plans either lead to or have evolved from distinguished performance in the public interest. Presumably the lack of any such relationship is at least one of the reasons that although 57 percent of the companies listed on the New York and American stock exchanges have adopted stock option schemes, only 11 percent of the class A and B electric companies have employed this device.[7] This evidence of the consensus of judgment within the industry that stock options are not necessary or appropriate for public utilities is to be respected and weighed against the views of the management of the applicant in this case.

The record in this case reveals a number of specific objections to a stock option plan for a public service company. First, such plans disguise the extent of managerial compensation and thus make it easy for the top managers to receive excessive compensation. As the staff showed in this case, there is no practical method of accounting for stock options which will give a clear indication of their cost to the company. Over the years the accounting for costs has been made the foundation of knowledgeable regulatory control. Since there is no disclosure of service costs under these plans in the accounts of the utility, the use of the stock option form of executive compensation distorts the real cost of electric utility service. On the other hand, increases in cash salary payments are immediately evident. Entered into the books of account, they are disclosed and understood by investors, consumers, and regulatory officials alike.

Second, stock options usually prefer the top executives and ignore the important role of the lower and middle management group. On a companywide basis they may create a morale problem for the many which offsets their claimed incentive value to the few.

Third, such plans lead to executive compensation which is often irrational, erratic, and unrelated to the performance of the executive. General market trends and the growth of the economy in the company's market area may play a larger role in determining the value of the options than the efforts of the option holders themselves.

Fourth, as discussed above, such options tend to make management focus more on common stock prices than on the service obligations of the company.

Finally, the impact of such options is to dilute the equity of the company.

It is argued that applicant proposes only a small issue in relation to total capitalization. While initial plans, such as that of Black Hills, may be sufficiently modest to avoid serious dilution, stock options tend to be habit forming and the first plans are usually followed by more and bigger ones which cannot be rejected by management or the regulatory agency if future company officials are to be treated like their predecessors. Adoption of this course of supplementary executive compensation is almost irreversible and thus the initial decision is the crucial one, irrespective of the size or impact of the initial plan.

Black Hills' argument that the stock option plan is needed in order to retain top management staff can hardly be accepted since the record shows that without stock options the company has lost no employees with a salary in excess of $7,000 per year except by death or retirement.[8] Of the 3

[5] Pacific Power & Light Co., opinion No. 354, 27 FPC 623, 626.

[6] A rich literature is accumulating on this intriguing subject. See J. A. Livingston, "The American Stockholder" (J. P. Lippincott Co., 1958); "The Mysterious Stock Option," Erwin N. Griswold, Dean, Harvard Law School, in "Tax Revision Compendium," Nov. 16, 1959, vol. 2, pp. 1327–1335, House Committee on Ways and Means; "Executive Compensation: Taxation of Stock Options," Vanderbilt Law Review 475 (1960); Leslie Gould, "Directors Responsibility: Two Schools of Thought on One Board," New York Journal-American, Apr. 6, 1960; Dean Erwin N. Griswold, "Are Stock Options Getting Out of Hand?" Harvard Business Review, November-December 1960.

[7] Ex. 12, schedules 1 and 2.

[8] Ex 12, schedule 10: The reply brief of Black Hills indicates that the witness Walrafen resigned from his position as of Sept. 1, 1963. The fact that the applicant has been forced to go outside the record to find one lone employee who, for one reason or another, has left the company only serves to point up the weakness of the company's case.

options which have been granted for 1,000 shares or more, 1 of the recipients is 72 years old and 1 is 66. Of the remaining 13 recipients, 5 are between the ages of 55 and 65. It could hardly be contended that the options are needed to retain the services of these veterans. Options on only 1,850 shares of stock have been received by employees under the age of 50.[9]

What is clear from this evidence is that since most of the present options are to be granted to older employees additional stock options will soon have to be proposed, and authorizations requested, to attract and retain the services of younger men. Thus, the fact that the initial dilution would be relatively small in this case is not determinative, particularly where the cumulative effect may be substantial. Having once permitted the plan to go into operation, it would be doubly difficult, if not impossible, to find any future increment was in itself not compatible with the public interest.[10]

The growth and results of the only stock option previously approved by this Commission are instructive. The Montana Power Co.'s plan which had a limit of 100,000 shares when approved by the Commission in 1956 [11] had increased to 750,000 shares by January 1, 1962, equal to 10 percent of Montana's common stock. The record shows that if all these options are exercised Montana Power will forgo over $9 million in additional capital which the company would have received from the sale of the same stock at the market price rather than the option price.[12]

To illustrate the possible impact of the dilution problem further, the evidence in this proceeding also shows that on the average electric utilities stocks have increased in market value by 150 percent in the last 10 years. If the same trend is assumed for the future, an option granted today will be exercised 10 years from now at 40 percent of the then market price.

A further problem is presented by the timing factor of the option form of compensation. The general rule for regulated companies is that each generation of consumers should pay its own way as the costs are incurred and that the consumer of today should not be asked to pay for the services provided in earlier years nor should later generations of consumers pay for services performed currently. Stock options are a form of deferred compensation which impose a share of the burdens of compensating present management upon the stockholders and consumers at a later date when the options are exercised.

We find nothing in the presentation of Black Hills which indicates that theirs is an exceptional case or in any way immune from the foregoing objections.

We of course are aware that stock option plans have been accorded favorable treatment under the Internal Revenue Code and have been approved by two other Federal regulatory agencies [13] and by the regulatory commissions of 16 States. We note that at least three State regulatory agencies have refused to approve stock option plans for public utilities.[14] Our concern in this case is limited to a determination whether such plans meet the standard set by section 204(a) of the Federal Power Act. We find that applicant's actual experience in recruiting and retaining management without stock options, the comparison on the record of its salary scale with that of comparable companies, and the evidence as to the expected future life with the company of those who have received the bulk of the options, all fail to establish applicant's case for a restricted stock option plan. We further find that the fact that stock options involve a "no cost" method of accounting; that actual costs are hidden from the shareholders and consumers; that the reward may have little, if any, relationship to the value of executive performance; that a conflict of interest may be created in the duty of those optionees who establish the rate policy of the company; and that the normal growth of such options tends to dilute the equity of the company, establish that the use of the stock option as a device for executive compensation is not consistent with the proper performance by a utility of its public service obligation.

On the record in this case we conclude that the restricted stock option plan of applicant Black Hills is not compatible with the public interest. Accordingly, the application for authority for the issuance of stock will be denied.

The Commission finds:

1. Black Hills Power & Light Co., a corporation organized under the laws of the State of South Dakota and the applicant herein, is a public utility within the meaning of section 204 of the Federal Power Act, subject to the jurisdiction of the Commission, as heretofore described and set forth in the Commission's order issued November 2, 1962, in this docket, 28 FPC 785.

2. The proposed issuance and sale of up to a maximum of 10,000 shares of common stock, par value $1 per share, pursuant to the provisions of the above-described restricted stock option plan will constitute an issuance of securities within the purview of section 204 of the act.

3. The applicant is not organized and operating in a State under the laws of which the security issue here involved is regulated by a State commission within the meaning of section 204(f) of the act; and the proposed issuance of common stock, as described above, is, therefore, not exempt by virtue of that subsection from the requirements of section 204 of the act.

4. The proposed issuance of 10,000 shares of common stock pursuant to applicant's restricted stock option plan (a) is not compatible with the public interest, is not necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility, and will impair its ability to perform such service, and (b) is not reasonably necessary or appropriate for the accomplishment of the corporate purposes of the applicant.

The Commission orders:

The application by Black Hills Power & Light Co. for authorization to issue 10,000 shares of common stock pursuant to the restricted stock option plan is denied.

By the Commission:

Commissioner O'Connor dissenting filed a separate statement appended hereto.

Commissioner Woodward dissenting joins in Commissioner O'Connor's statement.

JOSEPH H. GUTRIDE,
Secretary.

BLACK HILLS POWER & LIGHT CO., DOCKET NO. E-7046 (ISSUED JUNE 30, 1964)

Commissioner O'CONNOR (dissenting). In the first of this two-stage proceeding I carefully explained what the legislative history and judicial interpretation dictate as the proper criteria for section 204(a).[1] I strongly urged that the very plan, here again rejected, met those criteria and that the Commission had exceeded its statutory authority in holding to the contrary. I have not altered my views. However, lest the absence of their repetition be misconstrued, I hereby reindorse them.

The thrust of my comments will be toward the highly speculative nature of the majority's statement, and at a significant, and unfortunate, consequence to which it may well lead.

The majority holds that stock options are incompatible with the responsibilities of electric utilities. As a result, they are hereinafter proscribed for those utilities.

The majority fears that options will result in higher power prices. Higher prices, they reason, by producing higher earnings, will ultimately produce higher market demand for common equity. Thus managers can, and would, effect market escalations. Notwithstanding this conclusion's variance with their statement that general market trends and area growth—and not individual efforts—produce market fluctuations, it is emphatically repudiated by the record upon which this opinion ostensibly rests. Testimony reveals that subsequent to the option's adoption by 77 percent of the Black Hills' shareholders, i.e., at a time when the majority anticipates higher rates, company managers voluntarily reduced rates in one service area, and, at the time of the hearing, had announced a further reduction in its general service rate.[2] The evidence simply will not support any inference that Commission authorization of the Black Hills option would inevitably have, or tend to have, effects detrimental to the public interest.

Moreover, one legitimately wonders how optionees of well-regulated utilities could violate their public trust to the extent sufficient to create market repercussions. Fallacious surplus accounts, alluring to the unsophisticated investor, are proscribed by our uniform system of accounts. Excessive rates of return, productive of larger dividends, are proscribed by the general provisions of section 205(a). Inflated rate bases, by which reasonable rates of return could produce excessive dollars of return, and reasonable rate bases containing fees paid to controlling interests, are proscribed by section 3(13). Any violation of the uniform system of accounts would be noticed upon the filing of the company's first annual report, and any violation of section 205(a) would be exposed the first time a company initiated a section 205(e) proceeding, or the Commission initiated a periodic actual rate of return spot check. Violations of section 3(13) would be revealed in either section 205(e) or 206(a) proceedings. Slight violations of section 3(13) could escape unnoticed, but slight violations would have absolutely no effect on the market.

The majority also fears that stock option plans disguise their costs, the implication being that disguised costs lead to excessive costs. The majority defines "costs" several ways, one of which is as "capital foregone." "Capital foregone" represents the difference between the option price and the market price on the date of exercise, and is synonymous with "dilution." Referring to this dilution as a cost is more fanciful than accurate because the dilution resulting from the regulated issuance of stock options would cost consumers nothing and shareholders very little.

True costs, in the sense that more capital need be raised to generate the same income, are envisioned by the majority's indication

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[9] Ex. 3.

[10] Although the present plan is limited to 10,000 shares, applicant conceded in the hearing that there is nothing in the plan to prohibit their coming in with a supplemental application at any time.

[11] The Montana Power Co., 16 FPC 863 (1956).

[12] Ex. 12, schedule 7, sheet 5.

[13] Chicago & Northwestern Ry. Co., 295 ICC 277, 454 (1956); Middle South Utilities Co., SEC release No. 14367, 37 PUR 3d 461 (1961).

[14] Re Baltimore Transit Co., 4 PUR 3d 151 (Maryland PSC, 1954), affirmed 9 PUR 3d 1, 114 A. 2d 834 (1955); Re South Atlantic Gas Co., 13 PUR 3d 230 (Georgia PSC, 1956); Re the Brooklyn Union Gas Co., 24 PUR 3d 445 (New York PSC, 1958), affirmed 29 PUR 3d 388, 187 N.Y.S. 2d 207 (1959).

[1] Black Hills Power & Light Co., 8 FPC 1121, 1134–40 (1962).

[2] Record, vol. 1, p. 129.

that the exercise of an option will burden future consumers. Deciphered, this is an endorsement of staff's Montana Power Co. exhibit whereby they calculated the annual earnings requirement of the "excess shares" issued under the option.[3] Staff's exhibit reasons that as n shares earned x dollars per share, the issuance of $n+$ shares, where the $\pm$ constituted excess shares, would continue to earn x dollars per share. The conclusion is fallacious. As staff witness Beidatsch recognized, the initial impact of minor dilution is on shareholders, not consumers.[4] Unlike the issuance of paid-for shares which create an investment and thus a return, a reasonable amount of excess shares would result in a corresponding, but minute, decrease in earnings per share. Before earnings could remain constant, i.e., the dollar-impact be shifted to consumers, rates must be increased. Thus, the unfortunate consequence of staff's exhibit is that return on equity becomes directly translated into return on investment for ratemaking purposes. This is a position to which the Commission has not committed itself but one which, if they believe that option-exercise will inevitably burden consumers, is indicated by the majority's statement. Aside from its undesirable consequences, the Montana Power Co. exhibit was premised upon assumptions too speculative for even witness Beidatsch to accept.[5] One of its assumptions, viz, that this agency would have authorized the additional 450,000 shares to be optioned, is by itself sufficient to dismiss its dollar-conclusions as meaningless.[6]

Thus, before stock options could create costs borne by consumers, two conditions must exist: First, the equity dilution must be so extensive that the market price of the company's equity is substantially depressed; and second, the applicable regulatory agency must determine that an increased rate of return is needed as compensation. Apparently conceding the desirability of the second condition, the majority indicates its helplessness to prevent the first. The rationale is that stock options are uncontrollable; once an initial application is approved, subsequent applications become impossible to reject. The majority envisions no consideration of degrees; no leeway to accept what is reasonable and to reject what is not. It thus becomes better to proscribe all options—even the unquestionably reasonable Black Hills option—than to attempt to identify and reject only the unreasonable or inappropriate applications.

Their position is totally meritless. There is no legal or practical restriction upon the denial of stock option applications. Whether a particular application be initial or secondary, it may be denied. Clearly, whenever its approval would result in the extent of dilution necessary to impair substantially the cost of capital, it must be denied.

The majority seeks to shore-up their position with the suggestion that, due to the age of the Black Hills' optionees, other Black Hills' applications are soon forthcoming. Again they ignore the evidence. Six of the fifteen optionees are under 64 years of age, which, assuming retirement at age 65, gives them an estimated future employment of from 21 to 29 years. These are not veterans soon to retire. Moreover, the present plan is without restriction as to the age, department, or length of service requirement for its optionees. The present optionees include line superintendents, the general sales manager, the sales production manager, the production superintendent, the distribution engineer, and the chief revenue accountant. Consequently, any intimation that the scope of the present plan is insufficiently narrow is inaccurate. Further still, there are 3,200 unoptioned shares under the present plan. Inasmuch as the average share per optionee below the level of senior vice president is 275, this indicates that 12 more options could be granted before another application need be filed. The majority's clairvoyance in the face of this evidence regrettably escapes me.

Commission approval of proposals which involve potential, de minimis dilution is neither unusual nor improper when, as here, there are counterbalancing considerations. Examples can be found in financing plans whereby bonds are issued with warrants to convert to common shares. Thus in January of 1960, this Commission approved a financing plan for Midwestern Gas Transmission Co. (Midwestern) whereby $1,000 first mortgage bonds were issued with warrants to purchase four shares of Midwestern's common stock at $15. The warrants could be exercised between 1964 and 1973, and were admittedly "sweeteners" added solely to attract potential investors away from more secure investments.[7] Midwestern common is now selling around $19 per share.

Other straws to which the majority clings can be disposed of briefly. First, their apprehension that stock options ignore lower and middle management groups is curious in the context of Black Hills which doesn't have such groups. Moreover, it ignores the employee welfare and savings plan which, although less attractive than the restricted stock option plan, is open to all employees.[8] More curious, a unanimous Commission approved the employee welfare plan even though the shares were to be issued at 90 percent of their market value on the granting date. Thus, as of the date of issuance, 10 percent of the market value of the shares is likely to be foregone. Moreover, the majority's concern for the morale of this nonexistent group is touching, unconvincing, and hardly dispositive, and smacks of their position of rubber stamping subsequent applications. If a serious morale problem could be shown in any application, either initial or secondary, likely to impair the ability of the company to perform its public utility operations, obviously the application should be denied.

Their contention of "compensation unrelated to performance" is unacceptable for two reasons: First, stock values, they say, appreciate because of general market trends and area growth. True. Area growth, however, often appreciates because of readily available sources of cheap power, which, in turn, is often the result of efficient management. The majority has yet to contend that better management won't produce cheaper power. To do so would be astonishing, not only because of its patent invalidity, but also because it would hard press this Commission to justify its current project to measure the performance of public utility managers. Second, however, and with more ominous implications, cash salaries are no more related to performance than are stock option tax benefits. Thus, although the instant decision purportedly deals only with a method of compensation and not the amount, the "unrelated compensation" test will inevitably be read as a mandate to prescribe salary levels, and, in fact, the number of personnel a utility may employ. Such far-reaching regulation is ideologically impalatable to most individuals, but it is the inevitable conclusion—in fact, the next short step—from the majority's statement.

Equally weighty is their argument that if industry vanguards have no option plans, no industry component, regardless of how small, can justify one. The rebuttal is obvious: stock options are enticements to attract and keep qualified personnel, and industry vanguards do not need these enticements. Their standing offer of security, prestige, large salaries, and opportunities to work with other capable personnel are, in themselves, sufficient attractions. Any speculative elaboration on Black Hills' need is unnecessary, inasmuch as the record itself establishes it. At the time of the examiner's hearing Mr. L. Duane Walrafen was vice president and secretary-treasurer of Black Hills. He was also the chief accounting officer, and was described as having "primary responsibility for accounting, rates, financing, budgeting, forecasting, corporate records, stockholder relations, taxes, and Commission regulation."[9] He was then 39 years of age, and, although his salary had more than doubled in his 7 years at Black Hills, he admitted that he would be compelled to consider other offers. Our public files, of which I take official notice, now reveal that Mr. L. Duane Walrafen is a vice president of the Kansas Power & Light Co. Kansas Power & Light has a stock option in effect for its key employees.[10]

The majority's conclusion that all stock options are not prohibited by section 305(a) of the Federal Power Act does little to conceal their conclusion that all such options are prohibited by section 204. When the generalities relied upon to reject this application are weighed against the applicant's impressive presentation, it becomes clear that no stock option will ever be approved for an electric utility under the jurisdiction of this Commission. No applicant will ever be able to rebut the hazy rationale of this decision. This is a regrettable outcome; one that is compelled by neither law nor reason. It is reached because of a vague apprehension, confirmed by neither the record nor the fabricated supports, that all optionees will inevitably cease functioning in the public interest. It is made with inadequate consideration of the fact that potential optionees can always acquire a personal interest in their company on the open market, and that the compulsory first offer requirement precludes any get-rich-quick scheme.[11] It is directed at the conflict-of-interest of stock owning utility managers, and never pinpoints the evils inherent in stock options. It minimizes the fact that smaller utilities need extra blandishments to attract and retain qualified personnel; that the cost of salaries are unquestionably borne by consumers whereas reasonable stock options seldom are; and that, at any rate, there is evidence that salary increases are seldom as attractive as stock options. In short, it has accentuated the problem faced by public utilities in employing and retaining qualified personnel. It admits the absence of equity dilution in this case, but relies upon an un-

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[3] "Excess shares" are defined as being "* * * the number of shares * * * exercised by optionees in excess of the number required to raise on the market on the * * * dates of * * * exercise the equivalent amount of capital contributed by the optionees." Staff schedule 7, sheet 1.

[4] Record, vol. 2, p. 330.

[5] Record, vol. 2, at 41–42.

[6] Unmentioned in the majority's statement is that Montana Power Co. common stock underwent a 3-for-1 split in 1959.

[7] Record, vol. 10, p. 1473, Midwestern Gas Transmission Co., Docket No. RP61–19.

[8] Approved 28 FPC 785 (1962).

[9] Record, vol. 2, p. 216.

[10] The Montana Power Co., which operates in the neighboring States of Montana, Wyoming, and Idaho, and the Washington Water Power Co., which operates in Washington and Idaho also have stock option plans in effect.

[11] "Shares purchased upon exercise of an option may not be sold or transferred within 6 months of the date of issue of the certificate therefor, unless they are first offered to the corporation at the option price of such shares, and the certificate or certificates for such shares shall be endorsed to reflect such restriction." Art. V of the stock option plan. This restriction is also contained in condition 1 of each individual option.

founded infirmity to prevent it in subsequent applications. Lastly, by giving section 204 the most stringent of interpretations, it unquestionably has obstructed the passage of pending legislation S. 1700 and H.R. 6790. These bills would amend section 12 of the Natural Gas Act to give us the identical security-issuance jurisdiction we now possess under section 204 of the Federal Power Act. If this legislation is passed, and the instant decision stands, the fate of the pipeline company stock option becomes fixed.

To a decision by which everyone loses, I must respectfully dissent. It is my firm belief that the Black Hills plan should be approved. I would, however, condition it to require the issuance of shares at 100 percent of their market value on the granting date, in lieu of the 95-percent price now proposed. This condition would preclude dilution as of this date, and would comply with the Revenue Act of 1964 whereby Congress reiterated its impetus to the adoption of these plans.

Commissioner Woodward joins me in this dissent.

L. J. O'CONNOR, Jr.,
Commissioner.

CONGRESS MUST ADOPT MORE *SENSIBLE* TIMETABLE FOR FUNDING FEDERAL EDUCATION PROGRAMS

Mr. McGOVERN. Mr. President, I submit, for appropriate reference, a concurrent resolution to provide early appropriations for Federal educational programs.

It has become increasingly clear that the Congress must adopt a better timetable for the funding of important Federal aid to education programs.

Under current procedures, the Congress is placing an enormous burden on school and college administrators by the late funding of these programs. Far too often education appropriations come many months after local school and college officials must prepare their programs and budgets for the coming school year.

In some instances the appropriations have not been enacted until months after the school year has actually begun. This was the case last year; the education appropriation bill did not become law until November 7, 1966.

The effect of late appropriations on program planning, budgeting, the hiring of personnel and general administration is disastrous.

This problem has to some extent always been with us. However, it has never been more severe than it is today, with the U.S. Office of Education administering programs involving nearly $4 billion of Federal funds.

Mr. President, last December I sponsored an Elementary and Secondary Education Act conference in my hometown of Mitchell, S. Dak. This conference was attended by more than 200 of the leading school superintendents and education officials of our State. The most commonly voiced complaint at this meeting was over the late funding of education programs.

I agree with South Dakota educators that late funding results in a chaotic situation. I firmly believe that if State and local school systems and institutions of higher learning are to be able to adequately plan for the wise and effective use of Federal educational funds, the Congress must make these funds available well in advance of the beginning of a new school or college year.

Mr. President, this is the purpose of the resolution which I am introducing today. My resolution instructs the Appropriations Committees of the House and the Senate to report educational assistance appropriation bills no later than April 15 of the year preceding the beginning of the fiscal year for which the funds are to be used.

I hope that the Congress will take early and favorable action on this resolution so that our school officials will have the time necessary to plan wisely the best possible utilization of Federal funds. For as the Washington Post recently observed in a lead editorial:

> It is clear that Congress' present inability to make up its mind promptly on school aid each year is seriously depreciating the effect of the Federal money when it finally arrives.

I ask unanimous consent that the entire text of this excellent Post editorial be printed at the conclusion of my remarks.

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

Mr. McGOVERN. Mr. President, the U.S. Commissioner of Education, Harold Howe, said in an article published in the December 17, 1966, issue of the Saturday Review:

> The timing with which Congress appropriates funds could scarcely be better designed to make the job of the local school superintendent difficult . . . somehow the school superintendent must find out in March rather than in November, as he did this year, what Federal funds will be available when schools open in September.

I ask unanimous consent that an extract from Commissioner Howe's article be printed at the conclusion of my remarks.

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

Mr. McGOVERN. Mr. President, I am pleased that President Johnson has recognized the need for a better education timetable. In his February 28, 1967, message on education to the Congress, the President said:

> One condition which severely hampers educational planning is the Congressional schedule for authorizations and appropriations. When Congress enacts and funds programs near the end of a session, the Nation's schools and colleges must plan their programs without knowing what Federal resources will be available to them to meet their needs. As so many Governors have said, the Federal legislative calendar often proves incompatible with the academic calendar.
>
> *I urge that the Congress enact education appropriations early enough to allow the Nation's schools and colleges to plan effectively.* I have directed the Secretary of Health, Education, and Welfare to work with the Congress toward this end.
>
> Another way to ease this problem is to seek the earliest practical renewal of authorization for major education measures.

I agree with the President that renewal of major education programs ought to be authorized as early as possible. I intend to work for at least 3-year authorizations for education programs. In the meantime, I shall do everything I can to see that the Congress adopts a wiser appropriation schedule.

I ask unanimous consent that the full text of my concurrent resolution may be printed at this point in the RECORD.

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

The concurrent resolution (S. Con. Res. 19) was referred to the Committee on Labor and Public Welfare, as follows:

S. CON. RES. 19

Resolved by the Senate (the House of Representatives concurring), that the Congress recognizes that late appropriations of funds for Federal educational programs create a severe and growing burden upon State and local school systems and institutions of higher learning and inhibit adequate planning for the wise and effective use of such funds; that in order to overcome these difficulties educational officials must have notice of the availability of Federal funds well in advance of the beginning of a new school or college year; and that the Committees on Appropriations of the House of Representatives and the Senate are hereby instructed to report to their respective bodies a bill or bills, appropriating funds for educational assistance programs, not later than April 15 of the year preceding the beginning of the fiscal year for which such funds are authorized to be appropriated.

The editorial and article presented by Mr. McGOVERN are as follows:

[From the Washington Post, Mar. 8, 1967]

AID DELAYED

As Federal aid becomes increasingly important in local school budgets, they are beginning to suffer from a complaint that has harassed Washington's schools for years. Congress passes its appropriations too late for the orderly financing of the school year.

The appropriations come along in August or later. But the best teachers, counselors and psychologists are recruited in April or earlier.

President Johnson said, in his Message on Education, that he had been hearing from the Governors about this costly and inefficient timing. He urged Congress to handle the money bills faster, but that kind of exhortation is not a solution.

Perhaps Congress will have to make its educational programs a year ahead, so that the funds will be on hand when they are needed. Perhaps internal reforms in Congress can be devised to force appropriations before Easter. But it is clear that Congress' present inability to make up its mind promptly on school aid each year is seriously depreciating the effect of the Federal money when it finally arrives.

[From the Saturday Review, Dec. 17, 1966]

By timing I refer to the incongruity which exists between the appropriations procedure of the Congress of the United States and the planning cycle of the public schools. Time was when this disparity made no difference because the money appropriated by Congress had almost no effect on decisions by local school authorities. But that time is gone. On the average, about 6 or 7 per cent of elementary-secondary school funding depends on Congressional appropriation, and in many districts the percentage runs much higher. Every indication is that in the years ahead the percentage of federal support will be still larger.

School districts typically operate on a budget year which begins on July 1, and they plan ahead in order to know by early spring what funds will be available for commit-

ment on that date. The typical school district spends 65 to 70 per cent of its funds on salaries, hires its new people in March, April, and May, and fits together a pattern of planned class size and program needs in the light of funds which will be available with the opening of school in the fall. The availability of teachers for new assignments and the continuance of teachers on former jobs are both hitched to this planning cycle.

The timing with which Congress appropriates funds could scarcely be better designed to make the job of the local school superintendent difficult. I hasten to add that Congress intends no inconvenience. It is just doing business as it always has. But somehow the school superintendent must find out in March rather than in November, as he did this year what federal funds will be available when schools open in September.

RESOLUTION TO SEND OVERSEAS CHAMPION DRUM AND BUGLE CORPS UNITS OF THE VETERANS OF FOREIGN WARS AND THE AMERICAN LEGION AS AMBASSADORS OF GOOD WILL

Mr. NELSON. Mr. President, I submit for appropriate reference, to the Senate a resolution which would give appropriate recognition to those boys and girls who are members of the drum and bugle corps of the Veterans of Foreign Wars and the American Legion.

Every year, thousands of these hard-working youngsters spend long afternoons after school, their weekends, and holidays in their efforts to become the champions of their States and of the Nation.

I think this country and the world should know more about these young people and the veterans' organizations who sponsor them. The discipline which they must learn before they can be chosen to represent the United States overseas makes them admirable choices to serve as American ambassadors of good will.

I hope the Senate will support the resolution, and I ask unanimous consent that the resolution be printed in the RECORD.

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

The resolution (S. Res. 97) was referred to the Committee on Foreign Relations, as follows:

S. RES. 97

Whereas drum and bugle corps units are a typically American institution; and

Whereas drum and bugle corps units are sponsored by schools, various veterans' groups, and other patriotic organizations throughout the United States and accurately reflect American life and institutions; and

Whereas the boys and girls who are members of drum and bugle corps units are the flower of American youth: Patriotic, enthusiastic, physically fit, highly motivated, and well trained and disciplined with a respect for law and order; and

Whereas drum and bugle corps units provide excellent entertainment which would be well received in foreign countries; and

Whereas the boys and girls who are members of drum and bugle corps units would serve effectively as United States ambassadors of good will on a people-to-people basis: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should include drum and bugle corps units among those groups sent to foreign countries (Including the countries of Eastern Europe) under the provisions of the Mutual Education and Cultural Exchange Act of 1961 (the Fulbright-Hays Act): It is further

Resolved, That each year the champion drum and bugle corps unit selected at the annual convention of the Veterans of Foreign Wars and the champion drum and bugle corps unit selected at the annual convention of the American Legion shall be sent as ambassadors of good will to appropriate nations to be designated by the Department of State, with the time for such a trip to be arranged with the mutual consent of the winning drum and bugle corps and the agency sponsoring such a trip: It is further

Resolved, That such funds as may be necessary are hereby authorized to be expended by the Department of State to pay for all travel and lodging for the respective drum and bugle corps units sent on such good will missions.

SCHOOL PRAYER IN PUBLIC SCHOOLS

Mr. HARTKE. Mr. President, I am submitting a resolution which would express the sense of the Senate with respect to religious practices in our public schools. This resolution is identical to Senate Resolution 164 and Senate Resolution 248 which were introduced in the 88th and 89th Congress, respectively.

My continuing concern with the issue of prayer in our public schools is shared, I know, by many lawmakers. During the second session of the 89th Congress, the Senate gave considerable attention to a proposed amendment, and to a resolution similar to the one I am now introducing; but at that time no positive action was taken.

Mr. President, I believe the Senate can perform a valuable service for the American public by clarifying the legally permissible role of prayer in our schools.

The present resolution acknowledges that any public school system may provide a time for prayerful meditation—a practice consonant with the provisions of the U.S. Constitution and with its interpretation by the Supreme Court.

I ask unanimous consent that the full text of the resolution appear in the CONGRESSIONAL RECORD.

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

The resolution (S. Res. 98) was referred to the Committee on the Judiciary, as follows:

S. RES. 98

Resolved, That it is the sense of the Senate that—

(a) notwithstanding the recent Supreme Court decisions relating to the reading of the Bible and the offering of prayer in the public schools, any public school system if it so chooses may provide time during the schoolday for prayerful meditation if no public official prescribes or recites the prayer which is offered; and

(b) providing public school time for prayerful meditation in no way violates the Constitution because each individual participating therein would be permitted to pray as he chooses, but that such practice is consonant with the free exercise of religion protected by the first amendment to the Constitution.

ADDITIONAL COSPONSORS OF BILLS

Mr. ERVIN. Mr. President, on February 21, 1967, I introduced S. 1035, a bill to protect civilian employees of the executive branch of the Government in the enjoyment of their constitutional rights and to prevent unwarranted governmental invasions of privacy in behalf of myself and 52 other Senators.

Mr. President, since that time two other Senators, the Senator from Washington [Mr. MAGNUSON], and the Senator from Alaska [Mr. GRUENING], have asked to have their names added as cosponsors of S. 1035. I ask unanimous consent that their names be added as cosponsors of the bill.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, at their next printing, the name of the junior Senator from South Carolina [Mr. HOLLINGS] be added as a cosponsor of the following bills:

S. 676. A bill to amend chapter 73, title 18, United States Code, to prohibit the obstruction of criminal investigations of the United States;

S. 677. A bill to permit the compelling of testimony with respect to certain crimes, and the granting of immunity in connection therewith;

S. 678. A bill to outlaw the Mafia and other organized crime syndicates; and

S. 798. A bill to provide compensation to survivors of local law enforcement officers killed while apprehending persons for committing Federal crimes.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the distinguished senior Senator from Texas [Mr. YARBOROUGH] be added as a cosponsor of the Fair Farm Budget Act, S. 1322. I understand his name is on the bill, but is not included in the list of sponsors contained in the RECORD.

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

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. McCLELLAN. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Walter N. Lawson, of South Carolina, to be U.S. marshal, district of South Carolina, term of 4 years, to fill a new position created by Public Law 89-242, approved October 7, 1965; and

Jack T. Stuart, of Mississippi, to be U.S. marshal, southern district of Mississippi, term of 4 years (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Tuesday, March 28, 1967, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

INDIAN CLAIMS COMMISSION AMENDMENTS OF 1967

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 74, S. 307.

The PRESIDENT pro tempore. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 307) to amend the Indian Claims Commission Act of 1946, as amended.

Mr. MANSFIELD. Mr. President, instead of proceeding to the consideration of S. 307, I ask unanimous consent that the Chair lay before the Senate H.R. 2536, which has been passed by the House. It is a companion bill to S. 307.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The Chair lays before the Senate a bill coming over from the House of Representatives.

The bill (H.R. 2536) to terminate the Indian Claims Commission, and for other purposes, was read twice by its title.

Mr. MANSFIELD. I ask unanimous consent that the Senate proceed to the consideration of H.R. 2536.

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

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I move to strike out all after the enacting clause and insert in lieu thereof the text of the Senate bill (S. 307).

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT LEGISLATIVE CLERK. The amendment is as follows:

That this Act may be cited as the "Indian Claims Commission Act Amendments of 1967".

SEC. 2. (a) Section 3(a) of the Act of August 13, 1946, as amended (25 U.S.C. 70b. (a)), is amended to read as follows:

"SEC. 3. (a) The Commission shall consist of a Chairman and four Associate Commissioners who shall be appointed by the President, by and with the advice and consent of the Senate. The members of the Commission shall at all times be members in good standing of the bar of the Supreme Court of the United States. Not more than three members of the Commission shall be of the same political party, and each member shall take an oath to support the Constitution of the United States and to discharge faithfully the duties of his office."

(b) Section 3(d) of such Act, as amended (25 U.S.C. 70b.(d)), is amended by striking out "Two" and "two" and inserting in lieu thereof "Three" and "three", respectively.

(c) Sections 6 and 18 of such Act, as amended (25 U.S.C. 70e., 70q.), are amended by striking out "Chief Commissioner" and inserting in lieu thereof "Chairman".

(d) Section 5316 of title 5, United States Code, is amended by striking out items (46) and (47) and inserting in lieu thereof the following:

"(46) Chairman, Indian Claims Commission.

"(47) Associate Commissioners, Indian Claims Commission (4)."

(e) The amendments made by this section shall take effect on April 10, 1967.

SEC. 3. Section 3(b) of the Act of August 13, 1946, as amended (25 U.S.C. 70b.(b)), is amended by striking out the period at the end of the first sentence and inserting in lieu thereof the following: "; except that no Commissioner holding office on the date of enactment of the Indian Claims Commission Act Amendments of 1967 shall continue in office after April 9, 1967, unless subsequent to such date of enactment he shall have been appointed to the Commission by the President, by and with the advice and consent of the Senate."

SEC. 4. The Act of August 13, 1946, as amended (25 U.S.C. 70–70v.), is amended by adding at the end thereof a new section as follows:

"TRIAL CALENDAR

"SEC. 27. (a) The Commission shall, not later than one year after the effective date of this section, prepare a trial calendar which will set a date, not later than January 1, 1970, for the trial of each claim pending before the Commission.

"(b) If a claimant fails to proceed with the trial of its claim on the date set for that purpose, the Commission shall enter an order dismissing the claim with prejudice; except that, upon motion of the claimant and for good cause shown, the Commission may from time to time grant continuances, aggregating not more than six months, but in no event shall any continuance be granted which will result in their being insufficient time for the Commission to adjudicate the claim on or before April 10, 1972. If, upon the expiration of the final period of continuance granted in the case of any claimant, the claimant fails to proceed with the trial on its claim, the Commission shall enter an order dismissing the claim with prejudice. The Commission may, however, stay the entry of any such order of dismissal, if it finds that a final compromise of the claim is being negotiated in good faith by the parties."

SEC. 5. (a) The first sentence of section 23 of the Act of August 13, 1946, as amended (25 U.S.C. 70v.), is amended to read as follows: "The existence of the Commission shall terminate at the end of five years from and after April 10, 1967, or at such earlier time as the Commission shall have made its final report to the Congress on all claims filed with it."

(b) It is the sense of the Congress that no further extension of the life of the Indian Claims Commission shall be granted. At the time the Commission prepares the trial calendar required by the amendment made in section 4 of this Act, it shall certify to the Senate and House Committees on Interior and Insular Affairs that the calendar will, in the judgment of the Commission, result in the final disposition by the Commission of all pending claims prior to the expiration of the Commission's life. A similar certification shall be submitted at the end of each succeeding twelve-month period.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

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. 72), explaining the purposes of the bill.

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

PURPOSE

The primary purposes of S. 307, as amended, are to (1) provide for an expansion of the membership of the Indian Claims Commission, effective April 10, 1967, from three Commissioners to five Commissioners and redesignate the Chief Commissioner as Chairman; (2) provide that no Commissioner holding office on the date of this act shall continue in office after April 9, 1967, unless subsequently appointed by the President; (3) provide that the Commission shall prepare a trial calendar within 1 year which will set a date, not later than January 1, 1970, for the trial of each pending claim; (4) provide that when a claimant fails to proceed with the trial on the day set for that purpose the claim shall be dismissed, unless continuances for not to exceed 6 months are granted for good cause, or when a settlement is being negotiated; (5) extend the life of the Commission for an additional 5 years after April 10, 1967; (6) express the sense of Congress that no further extensions of the life of the Commission shall be granted; and (7) require the Commission to certify to the House and Senate Interior Committees that the trial calendar will result in final disposition by the Commission of all pending claims prior to April 10, 1972.

BACKGROUND

The Indian Claims Commission was established to provide for a final disposition of all claims of Indian tribes against the United States that existed on the date of the act of August 13, 1946 (60 Stat. 1049). The Indian tribes were given 5 years in which to file their claims, and the Commission was given an additional 5⅔ years within which to adjudicate the claims. The Commission was to terminate on April 10, 1957. The time allotted in the original act to adjudicate the many claims filed proved to be inadequate, and the Congress extended the life of the Commission for 5 years by the act of July 24, 1956 (Public Law 84–767), until April 10, 1962. This extension also proved to be inadequate, and Congress again extended the life of the Commission for 5 years by act of June 16, 1961 (Public Law 87–48), until April 10, 1967.

The Indian tribes filed a total of 852 separate causes of action with the Claims Commission. These claims have been consolidated into a total of 583 dockets. To date, 236 docket numbers have been adjudicated and the files sent to the National Archives. Of this number, 103 awards were made to Indian tribes for a total sum of over $200 million and 133 cases have been dismissed. There are 347 dockets now pending and active, some of which have been partly adjudicated and others of which are in early stages of processing. In 42 dockets there has been no action at all, according to testimony presented to the committee.

There appears in the appendix of this report a summary of all final awards rendered by the Commission up to March 1, 1967. The Committee notes that of the 103 awards made only 28 were handed down in the years from 1947 to 1961, a period of 14 years, and amounted to approximately $37 million. The bulk of the awards granted (75) have been made in the past 6 years and amount to about $163 million.

NEED

Testimony on S. 307 was presented to the Subcommittee on Indian Affairs by representatives for the Claims Commission, the Department of the Interior, the Justice Department, the General Services Administration, and other witnesses. Spilesmen for these agencies agreed that the claims still to be adjudicated cannot possibly be completed within the time prescribed by law, and that it is essential that further time be granted the Commission to complete its work.

According to the testimony of the Chief Commissioner of the Claims Commission, attorneys for the Indians are responsible for present delays in the hearings on the cases. The Department of Justice on the other hand is ready with a number of cases. However,

the Indians are frequently delayed by factors beyond their control, especially in obtaining expert witnesses in their behalf. To meet this problem, a revolving loan fund was established in 1963 (77 Stat. 301), to enable the Indians to hire their experts. The $900,000 originally appropriated for the loan fund by Congress has now been used up. Legislation was enacted in 1966 (Public Law 89–592) to authorize an additional $900,000 for this purpose.

The extension of the life of the Commission, as provided in S. 307 is highly desirable in order that claims which the Indians have filed may be properly heard and decided. Otherwise, the Indians will again resort to petitioning the Congress for special jurisdictional acts to have their claims adjudicated, the very practice Congress sought to overcome in adopting the Indian Claims Commission Act of 1946. It cannot be stressed too strongly that the Claims Commission Act was passed by Congress to give the Indians their day in court to present their claims of every kind and variety. Since August 13, 1951, the cutoff date for filing claims, the Indians have spent a great deal of time and money hiring lawyers and expert witnesses to represent them, and the termination of the only forum where their cases can be heard would be greatly resented. Until all these claims are heard and resolved, we may expect the Indians to resist any effort to terminate Federal supervision and control over them.

The committee would like to point out, however, that the Commission has had at least 15 years in which to adjudicate the claims filed with it. Less than half of those claims have been processed to completion. The committee believes that in the years that have been made available, attorneys for the tribes and those representing the United States have had adequate time in which to prepare for trial. Accordingly, it is recommended that the life of the Commission be extended an additional 5 years, but that provision be made for determination of all cases by April 10, 1972.

The Chief Commissioner has informed the committee that he is actively seeking additional funds to hire several more lawyers to assist the Commission in speeding up its work. The Committee on Interior and Insular Affairs strongly recommends to the Senate and House Appropriations Committees that these additional funds be approved in the fiscal year 1968 appropriation for the Commission.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 307, a companion bill, be indefinitely postponed.

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

CONGRATULATIONS OF CONGRESS TO THE PARLIAMENT OF CANADA

Mr. MANSFIELD. Mr. President, with the concurrence and consent of the distinguished senior Senator from Vermont [Mr. AIKEN], I ask unanimous consent that the Chair lay before the Senate House Concurrent Resolution 280, which is the counterpart of Senate Concurrent Resolution 16, now on the calendar, submitted to the Senate by the distinguished senior Senator from Vermont [Mr. AIKEN], and which had been reported unanimously by the Committee on Foreign Relations on yesterday.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House on House Concurrent Resolution 280.

Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 280) was considered and agreed to as follows:

H. CON. RES. 280

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States extends its congratulations and its best wishes to the Parliament of Canada on the occasion of the centennial of the confederation of Canada and in affirmation of the affection and friendship of the people of the United States for the people of Canada.

The preamble was agreed to.

Mr. MANSFIELD. I ask unanimous consent that Senate Concurrent Resolution 16 be indefinitely postponed.

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

THE GUAM CONFERENCE

Mr. MANSFIELD. Mr. President, according to the press reports the recently concluded Guam Conference has been handled extremely well by President Johnson although two points of view were in evidence there.

On the one hand, the President stressed the need for stepped-up economic and pacification procedures and the need for constitutional civil government to lay the groundwork for a viable South Vietnam.

In contrast, Premier Ky stressed the need to prosecute the war with our men rather than placing any emphasis on reorienting and uniting the people of South Vietnam.

In the form of questions, Premier Ky stated what he thought our objectives should be and these questions covered such matters as "restrictive bombing of military targets"; the alleged "Vietcong sanctuary in Cambodia"; the "supply trails through Laos" and how long they will be permitted to operate; "how long war material can be permitted to come into Haiphong"; and also how long will Hanoi be permitted to penetrate soldiers and weapons over the 17th parallel or the DMZ.

This disparity in views was the highlight of the conference. President Johnson is to be commended because he evidently concentrated on the basic needs in South Vietnam whereas Premier Ky concentrated, if his words can be taken at face value, on more escalation and more expansion.

We will have to wait for more definite information to find out just what the actual results of these conferences were. I assume that the President will make a report to the Congress and the American people shortly after his return.

Mr. PROXMIRE subsequently said: Mr. President, earlier this morning the majority leader referred to and supported the position that President Johnson has taken at Guam. I am delighted to express my support for the position taken by the majority leader and the President.

It seems to me, in a very difficult and delicate situation in Guam, the President wisely insisted on the great importance of establishing an effective representative constitutional government in South Vietnam as by far the most urgent objective we should have. While our military effort is of great importance, the President emphasized that if we are to have an enduring peace, and if that peace is to be secured in the foreseeable future, development of constitutional government must be given top priority.

TRIBUTE TO VICTOR A. JOHNSTON—MEMORIAL SERVICE

Mr. MORTON. Mr. President, in the Washington Post of this morning appears a syndicated column of Mr. David S. Broder called "Political Parade." Today's column is a tribute to the late Victor A. Johnston, and I ask unanimous consent that the column be printed at this point in the RECORD.

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

VICTOR A. JOHNSTON

(By David S. Broder)

This space is borrowed today from matters of conceivably greater consequence for a personal reminiscence. A good friend, Victor A. Johnston, died last week and he deserves more than the inadequate farewell this column affords.

Vic was probably not known even to the careful newspaper readers of the past two decades, but he was prized by the men in politics and those of us who cover them.

Probably it was because of his unending delight in the infinite variety of human beings—and the damned-fool, unexpected things they say and do in the stress of political campaigns. Vic saw and knew more of the political figures of the past generation than most of us did. He was 66 when he died. He came out of North Dakota in the 1930s, got involved in Republican politics in Minnesota and Wisconsin, came to Washington with the late Joe McCarthy and for most of the last 20 years had been running the Republican Senatorial Campaign Committee.

He served an incredible variety of people—Harold Stassen, Bob Taft, McCarthy, Barry Goldwater, Thruston Morton and Dick Nixon—and if he had a political philosophy of his own, he never argued it. Politics to Vic was not the struggle of good against evil; it was the best of all indoor and outdoor sports, one which demanded the greatest skill of the contestants and one which guaranteed the spectators both thrills and laughs.

Courtly in manners, particularly with the ladies, his white hair and white moustache setting off his florid face, he looked more like a Senator ought to look than most Senators actually do. He was frequently mistaken for one—and he was never averse to letting the impression stand when, for example, he was wangling a table at a crowded restaurant for a group of friends.

I cannot testify as to his political skill. He probably elected some Republicans over the years who could never have made it by their own meager talents, and his advice probably helped defeat some others.

He raised a whale of a lot of money for the Republican Party, some of it by means and from sources that were his exclusive knowledge and which his principals on the campaign committee were just as glad not to know about.

Though his services and loyalties were to the GOP, his friendships were bipartisan. Encountering Hubert Humphrey outside the Senate before the 1964 convention, he offered to help Humphrey win the Democratic vice presidential nomination, because "I'm getting damned sick and tired of trying to beat you for Senator." He was immensely delighted when President Johnson—an old friend from Senate days—invited him to the

White House one day for a bill-signing ceremony in the Rose Garden. When Vic told the story, he always noted that he had never made it to the White House during the eight years President Eisenhower was there. Like most professional politicians, Vic was able to control his enthusiasm for Mr. Eisenhower.

He was a superb storyteller. At Republican National Committee meetings or political conventions, he loved to gather his reporter and politician friends in his room for a spread of Wisconsin cheese, beer and booze—and hours of yarnswapping. It is a tragedy that no one ever strapped him into a chair, turned on a tape recorder and forced him to set down his reminiscences for history. But as long as his friends survive, his tales will be a part of the political talk.

I last saw him at the $500-a-plate Republican Gala at the Washington Hilton two weeks ago, going down the line at the somewhat skimpy and improvised buffet that had been set up in the press room. It was characteristic of Vic that, though he had sold as many tickets as anybody for the million-dollar affair, he chose to scrounge his own supper with the press, rather than sit with the "fat cats" next door.

It was typical, too, that he had a quip designed to mock the Republicans own stuffiness and at the same time to deflate any sense of injured dignity the reporters might be suffering by their exclusion from the dining hall.

"We're willing to put up with you --------s at the reception," he said, "but we're not so hard up we have to let you eat dinner with us rich folks."

Vic could abide almost anything in a human being except a solemn ass. He knew the politicians and Presidents of his era—to say nothing of the reporters—far too well to think that any of them were made of anything but very common clay. But if he was cynical enough not to take any of them at their own evaluation of themselves, he was charitable enough to let the worst of us know that we were not beyond redemption in his eyes.

He would take the newest cub reporter on the beat into his confidence—as he did this one—just as easily as he would tell the most self-exalted party potentate to go to hell.

An old friend of Vic, Jack Mills, tells me that Vic met H. L. Mencken at least once. I think he would have liked the epitaph Mencken suggested for himself:

"If, after I depart this vale, you ever remember me and have thought to please my ghost, forgive some sinner and wink your eye at some homely girl."

Mr. MORTON. The junior Senator from California [Mr. MURPHY] announced to the Senate last week that it was anticipated that the funeral of Mr. Johnston would be held in Washington last Saturday. Actually, the funeral was yesterday, in Florida.

I have spoken to some of my colleagues, friends of Mr. Johnston, in the other body and some in the Senate. It is anticipated that a memorial service will be held in the near future for Mr. Johnston. Further plans will be announced when they are formulated, and an opportunity will be given at that time for Members of the Senate and of the House to pay such tribute as they may in memory of this very distinguished public servant.

SENATOR MANSFIELD INTERVIEWED BY A LEADING MEXICAN MAGAZINE

Mr. AIKEN. Mr. President, during the past few years, it has been my privilege to travel in many countries in company with our majority leader, the senior Senator from Montana [Mr. MANSFIELD]. I take this opportunity to say that there is no person in the United States who is more respected and admired and whose credibility rates higher than that of the senior Senator from Montana.

Among all of the countries in which he is held in respect and high esteem, there is no country whose admiration and esteem exceed that of our neighbor to the south, the Republic of Mexico.

Last month it was my privilege to go to Mexico with a congressional delegation to meet the members of the Mexican Congress. The Senator from Montana was a member of that delegation. After the formal meetings were over the majority leader was interviewed by a member of what I believe is the leading weekly magazine of Mexico "Siempre." This interview was reported in the issue of the magazine of March 1, 1967.

I ask unanimous consent to have printed in the RECORD the interview.

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

[From Siempre, Mar. 1, 1967]

MANSFIELD, THE CONSCIENCE OF THE UNITED STATES, SPEAKS TO "SIEMPRE"—RESULTS OF THE FACE-TO-FACE MEETINGS BETWEEN THE MEMBERS OF THE CONGRESS OF MEXICO AND THE U.S. CONGRESS

(Library of Congress translation—Spanish)

1. The United States as well as Mexico are developing countries. My friends here will probably be surprised to learn that in the region of the Appalachian Mountains, 20 million persons, equal to half the population of the Republic of Mexico, are living—many under difficult circumstances. In my own State of Montana there are also many underprivileged people.

2. I totally support and I approve of the Mexican initiative with regard to the denuclearization of Latin America which should serve as a model to other parts of the world.

3. The United States is very much interested in the success of ALALC and the Central American Common Market. I wish to express my hope that these organizations wil serve as a nucleus for the later establishment of a Latin American Common Market which then will be followed by a Hemispheric Common Market.

4. We have to direct our efforts for maintaining peace in all parts of the world and we have to try to find as quickly as possible an honorable solution to the conflict in Southeast Asia.

5. Mexico constitutes a cultural, social and economic bridge between the United States and the rest of Latin America. It is the most advanced country among all Latin American states and has reached its present position thanks to its own efforts, through its own revolution and its own people.

6. The road which Mexico had to pursue has not been easy, but it has acted with dignity, prudence and good judgment. It has gained not only the respect of the Western Hemisphere but also the esteem of all the world.

7. Mexico has kept up its relation with Cuba. We respect this, but at the same time, it has shown much understanding for the problems with which the United States is faced in that area.

8. President López Mateos was the first chief of state who condemned the existence of long-range missiles in Cuba. The United States has always been thankful for the support which Mexico had given it in one of its most critical hours.

9. We are also pleased to know that thanks to the existing relations between Mexico and Cuba, it has been possible to evacuate from that country to Yucatán 400 U.S. citizens from a possible total of 4,000.

10. We found an indispensable friend in Mexico. Mexico has pursued a sensible and invariable foreign policy based on self-determination and non-intervention. The results have been favorable for Mexico and we understand and appreciate the firmness of this policy and its justifications from your point of view.

(By Betriz Reyes Nevares)

The face to face meetings between the members of the Congress of Mexico and the U.S. Congress contributed to satisfactory solutions between the two countries with regard to the Chamizal situation, the carrying out of joint united efforts for the establishment of a seawater desalinization plant in Lower California, and the favorable settlement of the problem of salinity of the Rio Colorado. The meetings also paved the way for a better understanding of the difficult problems with which both countries were faced during the last decades.

Mike Mansfield, the Senator from Montana, fluently replies to my question. I wanted to know about the usefulness of the parliamentary meetings which are now customarily being held each year by the representatives of the neighbor nations. One such meeting just took place in Oaxaca. Mansfield, a great friend of Alfonso Martínez Domínguez, accepted the invitation which the latter extended so that he could stay for a few more days in Mexico. With him stayed other high personalities: Senator J. William Fulbright, Chairman of the U.S. Senate Foreign Relations Committee; Senator Wayne Morse, Chairman of the Committee on Latin American Affairs of the same legislative body; Senator John F. Sparkman; Senator George Aiken, the Senior Republican in the U.S. Senate and former Governor of Vermont, Senator Ernest Gruening, former Governor of Alaska and a proven friend of Mexico (author of the book "Mexico and Its Heritage"); the Congressmen Eligio de la Garza, from Texas, and B. Morse from Massachusetts. We are at the house of the Mexican representative Alejandro Carrillo. Alfonso Martínez Domínguez is also present.

Mansfield graciously listens to me. Meanwhile he looks at some objects of art. There are plenty of them in the house.

This understanding—he continues—has been possible thanks to the frank and open exchange of ideas between the legislators of the two countries and thanks to the consecutive development of a better appreciation and better understanding about what can and cannot be done for solving these matters.

Mansfield, who is about 60, has deep lines cut in his face which reminds us of Lincoln. He impresses me. He is a senior political wizard of his country. He has been a member of Congress for 25 years. Through five continents he has been carrying his personal image of moderateness, responsibility and reserve. Don Alfonso Martínez Domínguez told me before the interview took place about the magnificent reception which he had received wherever he has visited.

"Do you believe that the Mexican-U.S. relations will be strengthened on account of these meetings?"

"The Congresses of the Mexican Union and the U.S. Government hope that in the years to come the stones will be placed, one by one on the foundation that has already been established to the end that our countries will be more and more united in reaching a better understanding based on mutual equality and tolerance."

"Are you much concerned about a problem of our time: the scarcity of water, is it not true?"

"At each of our parliamentarian meetings it was mentioned that water is one of the

most important world problems. For Mexico and the United States it is a matter of primordial interest. Both countries are very much in need of that resource . . . But as I said, we must not circumscribe these things to our concrete case. In the world, water constitutes problem No. 1.

MEXICO LACKS TILLABLE LAND

"When we consider—he continues—that the tillable ground in Mexico is only 12% of the country's surface and that of these 12%, which represent by themselves just a small area, only 86% can be used temporarily, that is, they depend on rain, and that much of the land in the United States is in a similar condition, then we can easily understand why we are forced to look for ways and means to develop larger resources in view of the population increase, the growth of industrialization and the major water consumption. We thus feed our population with greater ease, intensify industries and give to the inhabitants of both our countries the chance of leading a decent life. Let us hope that the project of President Diaz Ordaz and of President Johnson, announced at the Fifth Parliamentarian Meeting in La Paz, Lower California by Representative Martinez Domínguez and Senator Aiken—the building of a desalinization plant at the Gulf of California—will be the starting point for improving the welfare of both countries. We are delighted that such a magnificent step of mutual benefit has been undertaken. We are very satisfied to see the extraordinary efforts that are being made by the Government of Mexico and the city of Tijuana toward the development of a supply source of desalted water which will provide in the future this zone of the country with the necessary water for immediate and future uses."

Senator Mansfield admiringly contemplates a "lacandones" head, by Raul Anguiano which Representative Carrillo keeps in the back of his dining room.

"Mr. Mansfield—I continue—you spoke about the population increase. What is your opinion about the demographic problem?"

"We all know of the enormous increase which the population of this planet is now experiencing. If we want to give to this population a good living standard, then we have to look for a way which will avoid our reaching an explosive stage. If this does not happen, we could not live from the resources which we can develop. I believe that our two governments will have to consider this matter seriously and very soon.

THE UNDERDEVELOPMENT OF THE UNITED STATES

"It is interesting to observe—continues the Senator—that both the United States and Mexico are developing countries."

There is surprise in my face. Mansfield explains to me:

"In the same way as Mexico, the United States, too, has its underdeveloped areas. This is the case with my native state, Montana, and with another zone which comprises ten states of the country which we know as the Appalachian mountain region with a population of approximately 20 million inhabitants or half of the demographic figure of Mexico. Our Mexican friends surely will be surprised to learn that the United States is not as much developed as they believed but this is a fact which has been openly discussed at the parliamentarian meetings."

WHAT MANSFIELD THINKS OF MEXICO

I know that Mansfield is not only a good friend of our country, but he also knows it well. Before he stepped into politics his intellectual curiosity had been turned toward Latin America. At that time he was professor of Latin American history at the University of Montana. When I ask him what kind of impressions he has of Mexico, I am certain that he will give me a compact answer.

"The parliamentary meetings—he says—were held three times in the city of Washington, and there were four in Guadalajara, Guanajuato, La Paz and in Oaxaca. Between the different meetings we had the opportunity to visit the states of Yucatán, Guerrero, Morelos, Sinaloa, Chihuahua, Mexico and Sonora. We have been tremendously impressed in all these places by the spirit of the Mexican people and by the policy of the government which is headed by the Licenciate, Mr. Diaz Ordaz. During the recent meeting in Oaxaca, which was held under the presidency of Representative Martinez Domínguez, we had the opportunity to spend some time in one of the most interesting zones of Mexico and to see the various cultures, traditions and customs of this state. To make it short, we could "see Mexico in miniature."

ATOMS FOR PEACE

"What do you think of the denuclearization treaty?"

"I respect the Denuclearization Project of all the countries of Latin America, I totally support and approve the Mexican initiative in this sphere. However, I wish that it be emphasized that atomic research could be channeled toward peaceful aims that will permit man to improve his life. I also wish that the Project of the Denuclearization of Latin America could serve as a model to *the other parts of the world,* much as the Antarctic Treaty which covers one sixth of the land and water surface of the globe and which was signed by ten nations, including the United States, the USSR, Chile and others. This was an effective demonstration of peace and good-will."

"The White House has announced proposals to help as much as possible to bring about the establishment of the Latin American Common Market. What are your views about this?"

"The United States is very much interested in the success of ALAIC (Asociación Latinoamericana de Libre Comercio) [Latin American Association for the Free Market] and in the Central American Common Market. I wish to express my hope that these organizations will serve as a nucleus for the later establishment of a Latin American Common Market which then will be followed by an Hemispheric Common Market. This would reduce the tariff barriers, create different kinds of products and make possible the creation of better customs norms among the nations of the western hemisphere. In my opinion, this will be the way to achieve the better understanding which we all desire: reduce the friction among the nations and the misunderstanding among the peoples and, consequently, establish a better foundation for world peace."

PEACE, THE AIM OF ALL NATIONS

"What are your ideas about the problem of peace?"

"Peace must be the aim of all nations and, in spite of the fact that the United States finds itself in an extremely difficult situation in Southeast Asia, we must, nevertheless, channel our efforts toward maintaining peace in all parts of the world and try to find as quickly as possible an honorable solution to establish peace in Southeast Asia. Peace can be and will be a tool for progress and will permit the use of the money—now being spent for purposes of destruction—for constructive efforts for the benefit of the people who now live under less favorable conditions than we."

MEXICO, THE UNITED STATES, AND LATIN AMERICA

"Does Mexico play a special part in the relations between your country and the Latin American countries?"

"Mexico is a bridge in many aspects: cultural, social and economic—between the United States and the rest of Latin America. It is the most advanced country among all Latin American states and has achieved its present position mostly thanks to its own efforts, through its own revolution and through its own people. The road which Mexico had to pursue has not been easy, but it has acted with dignity, prudence and good judgment. It has gained not only the respect of the Western Hemisphere but also the esteem of all the world. Mexico has kept up its relations with Cuba. We respect this, but at the same time we appreciate the fact that it has shown much understanding of the problems with which the United States is faced in that area. President López Mateos was the first chief of state who condemned the existence of long-range missiles in Cuba. The United States has always been thankful for the support which Mexico had given it in one of its most critical hours. We are also pleased to know that thanks to the existing relations between Mexico and Cuba, it has been possible to evacuate from that country to Yucatán 400 U.S. citizens out of a possible total of 4,000 persons. Those who stayed behind will eventually leave.

Since Mexico leads as a bridge to Latin America—continues the Senator—we see in it an indispensable friend. If there had not been any contact, then there would not have been any discussions and without discussions these U.S. citizens would probably not have departed from Cuba. Mexico has pursued a sensible and invariable foreign policy based on self-determination and non-intervention. The results have been favorable for Mexico and we understand and appreciate the firmness of this policy and its justification from your point of view.

"We believe—Mr. Mansfield concludes—that under the presidency of such an outstanding chief of state as Lic. Días Ordaz, a personal friend of President Lyndon B. Johnson, these two men can do much toward buttressing the friendly relations which link our two countries; and we also believe that the coming parliamentary meetings will be of great use. Although, according to the constitutions of both countries, we cannot make any decisions at these meetings, we, indeed, can make recommendations and, as a matter of fact, we are making them. We are allowed to speak and we do it at special occasions; and we take note that heed is being given to our suggestions and advice in the widest circles of our governments. We can thus come to the conclusion that much has been achieved for the good of our two peoples."

MILWAUKEE SENTINEL SUGGESTS CUTTING OIL DEPLETION ALLOWANCE RATHER THAN SUBSIDY TO GIVE ELECTRIC CAR FAIR CHANCE IN MARKETPLACE

Mr. PROXMIRE. Mr. President, administration spokesmen have recently appeared in opposition to the Congress appropriating $15 million for research on the electric car as a means of reducing the pollution of the air we suffer from the gas-driven automobile.

Any time the administration appears against spending, taxpayers are grateful, and commendation is in order.

The administration argues that this research should be left to the free enterprise system and the tough but highly efficient test of the marketplace.

On the other hand, the administration still seems to favor spending not $15 million but 300 times as much—some $4 billion for research on the supersonic transport.

Think of it. If research should ever be left to the marketplace it is in connection with this frill for the exclusive use of the less than 1 percent of the population that will zoom from New

York to Paris in 2 hours instead of 6½ hours aboard a supersonic transport.

What is the matter with the free enterprise system for the supersonic transport, which has no military value and will operate strictly for profit?

If the technological problems are soluble, private industry can and will solve them. Since they are not, without vast cost, they want to leave the bad risk to the taxpayer as the pigeon or fall guy.

Finally, Mr. President, the polluting force in the gasoline-driven car is the gasoline itself. Why not put the gas on a fair market parity with the electric car by at least reducing some of the immense advantages the gas car has because of our subsidy of the oil industry in this country with our notorious depletion allowances and other special tax giveaways?

The Milwaukee Sentinel, a newspaper that has a sharp eye for free competition and the free market, made just this kind of proposal in an editorial a few days ago.

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:

DON'T INTERFERE

What can the federal government do to hasten development of an electric automobile in order to combat air pollution?

That is the question being explored at hearings being held by a senate commerce committee and a public works subcommittee.

The answer to the question might very well be for the government to leave the development of battery mobiles to the operation of free enterprise in a free market.

This is where American technological developments have been made. One of the latest examples is color television, which has moved from the research stage through the development stage and into the market stage in a surprisingly short time and without any particular help from Washington legislators and bureaucrats.

If the federal government really wants to accelerate the development of electric autos, one of the best ways might be to cut off the privileges and competitive advantages it gives to the industry built around a main source of air pollution, the gasoline and oil burning engine.

For example, among these privileges is the oil depletion allowance. This is a special tax benefit, granted at the expense of the people generally, that in effect may work to perpetuate the gasoline powered auto and to work against the economic feasibility of the electric car.

In short, the best thing congress might do to hasten the development of the electric automobile is to clear the way for the optimum operation of free enterprise in a free market.

GROWING SUPPORT FOR TRUTH IN LENDING

Mr. PROXMIRE. Mr. President, on March 4 the Independent Bankers Association of America during its 33d annual convention in New Orleans, La., adopted a resolution in favor of S. 5, the truth-in-lending bill.

Mr. President, it is most encouraging that the leaders of over 6,500 banks, which is nearly one-half the total number of banks in the country, have endorsed the principles of truth in lending. This resolution is an indication of the growing support for truth in lending and the growing realization on the part of the credit industry that they have nothing to fear from disclosing the true cost of credit to the American consumer.

Mr. President, I ask unanimous consent to have printed in the RECORD the full text of the resolution.

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

INTEREST RATE DISCLOSURE

(Resolution adopted by the Independent Bankers Association of America during its 33d annual convention Mar. 4, 1967)

Resolved: That the Independent Bankers Association of America is of the firm opinion that the public should be made fully cognizant of the actual interest rate being paid on any financial transactions;

Now therefore be it resolved that the Independent Bankers Association of America urges all companies, agencies or individuals extending credit to disclose this information fully and clearly; and further, this Association approves the passage of interest rate disclosure legislation, such as S–5 and HR–949, provided any final bill is in such form that it can be technically administered and applies to all extenders of credit.

WISCONSIN FARM PUBLICATION SUPPORTS PROXMIRE DAIRY BILL

Mr. PROXMIRE. Mr. President, I am delighted to be able to tell the Senate that the Wisconsin Agriculturist, which is one of the best farm publications in the Nation, has indicated its support for Dairy Import Act of 1967. This means that this legislation, which I introduced in January, and which now has 45 cosponsors, also has the support of a leading farm publication in the biggest dairy State in the Union.

The editorial judiciously weighs the benefits of dairy import controls against the detrimental impact such controls might have on foreign trade for, as the article points out:

Products from about two out of every 10 farm acres go overseas.

But as the editorial points out, my bill would stop "the altering of dairy products merely to get around—existing—quotas" by setting up a new, stiffer quota system.

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:

WE NEED IMPORT QUOTAS

Farmers should look carefully before they approve any bill that slows down foreign trade. The reason is simple. Products from about 2 out of every 10 farm acres go overseas.

Dairymen, however, have faced a particularly difficult import situation. Last year the imports of non-quota cheese and other dairy products nearly trebled on a milk equivalent basis.

About 12 percent of the equivalent butterfat used in ice cream and frozen desserts was imported. And we can look for another big increase this year.

New import products have been designed specifically to get around our present quotas on imports. The best known are Junex and Colby cheeses.

A bill introduced by Senator William Proxmire (D-Wis.) would stop these devious methods of getting around the quota system.

His bill would put controls on the import of all dairy products on a butterfat and nonfat milk solids basis.

If the bill becomes law it would have the wholesome effect of stopping the altering of dairy products merely to get around quotas. It would be of real help to dairymen.

MARCH 21, INTERNATIONAL DAY FOR THE ELIMINATION OF RACIAL DISCRIMINATION—SAD REMINDER OF SENATE'S INDIFFERENCE TO HUMAN RIGHTS—XLII

Mr. PROXMIRE. Mr. President, on October 26, 1966, the General Assembly of the United Nations proclaimed today, March 21, as International Day for the Elimination of Racial Discrimination.

It was on this same day in 1960 in Sharpeville, an African location near Vereeniging, that police opened fire on a peaceful rally of black Africans orderly protesting the government's policy of apartheid.

When the police had finally stopped firing, 68 people lay murdered. Another 200 people had been wounded.

The anniversary of the Sharpeville massacre must not simply summon forth the sermonizing of the self-righteous. If we settle for prose instead of programs, we shall do a grave disservice to the innocent victims of Sharpeville and tacitly condone similar contemporary practices.

Racial discrimination is not indigenous to South Africa. Surely we in the United States are painfully aware of that fact. Racial discrimination—racism—is the universal nemesis of human rights. We must remind ourselves and all men that the antidote for white racism is not either black racism or yellow racism.

The only remedy for racism of any stripe is a commitment to human rights. Human rights must be recognized by everyone and realized by all.

In the 7 years since the Sharpeville massacre, there has been no liberalizing, no relaxing of the apartheid policy. On the contrary, there has been a significant buildup of military and police forces in that country. Repression has become more widespread. Arrests have filled the jails with dissenters. Orthodoxy has been preserved by machineguns. Heresy has been punished by arbitrary prosecution.

The people of South Africa who suffer under apartheid have not been able to secure their own freedom. It appears very unlikely that without the force of universal moral persuasion the government will not modify its policy at all.

The Senate has a ready and reasonable means of strengthening universal moral persuasion for human rights. The Senate can ratify the human rights conventions on forced labor, genocide, political rights of women, and slavery.

When the Senate ratifies, the United States will be able, through the United Nations, to blow the whistle on governments which ignore the human rights of their citizens. When the Senate ratifies, the United States will leave the company of South Africa as one of the four charter members of the United Nations which have failed to ratify a single human rights convention.

By ratifying the human rights conven-

tions, the Senate will pay fitting tribute to the memory of those 68 human beings who were slaughtered at Sharpeville.

ESTHER PETERSON

Mr. PROXMIRE. Mr. President, I was very sorry to learn that Mrs. Esther Peterson will no longer be exerting the magnificent leadership she has shown in her position as Special Assistant to the President for Consumer Affairs. I can well appreciate Mrs. Peterson's desire to give full time and attention to her equally important position in the Department of Labor. Nevertheless, in the 3 years Mrs. Peterson has represented consumer interests in the Government, she has shown an amazing capacity for bringing consumer issues to the attention of the public.

Certainly on truth in lending, which has been before the Banking and Currency Committee for a number of years, Mrs. Peterson has taken the lead within the administration in keeping this issue before the American public. Her enthusiasm, her dedication, her diligence, and her willingness to work long hours on behalf of the consumer have earned our deep admiration and respect.

I am sorry to see Mrs. Peterson leave this important position. I shall be looking forward to working closely with her distinguished successor, Miss Betty Furness, in behalf of truth in lending and other consumer issues. I am sure that Miss Furness will show the same devotion to protecting the consumer which Mrs. Peterson has so ably demonstrated over the last 3 years.

INVESTMENT TAX CREDIT

Mr. PROXMIRE. Mr. President, in an editorial entitled "Wise Economic Move" in the March 11 issue of the Milwaukee Journal, that newspaper has endorsed the restoration of the 7 percent investment tax credit and the accelerated depreciation. The editorial stated:

President Johnson is wisely urging congress to restore the 7% tax credit. . . .

I ask Senators to lend their support to the President's proposal and to act immediately on H.R. 6950. I ask unanimous consent to have printed in the RECORD the March 11 editorial, which is an excellent summary of the present status of our economy and the President's managing of it.

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

[From the Milwaukee Journal, Mar. 11, 1967]

WISE ECONOMY MOVE

President Johnson is wisely urging congress to restore the 7% tax credit on business investment and the fast tax write-off schedule on industrial and commercial buildings. The measures were suspended last fall to cool an overheated economy and ease inflationary pressures. At the time, interest rates were at a peak and there was excessive demand for capital investment funds.

The pressures have eased. The president noted that interest rates have fallen as much as 1% since September and the home building industry is beginning to revive as a consequence. Business capital spending has begun to decline, causing worry about a slowdown in economic growth.

The tax credit and write-off schedule, which represent several billion dollars in tax relief to business, were to have been reinstated next Jan. 1, but Johnson wants them restored immediately.

There is nothing contradictory about the on again, off again use of the investment credit and write-off. They are necessary tools to stabilize the economy.

The president's reiterated request for a 6% surtax on individual and corporate incomes may seem inconsistent with his other efforts to encourage spending. But this is not necessarily so. The surtax proposal allows the president to retain an option—which he can give up in a few months if conditions demand—in case the economy heats up too fast again. Asking congress to step a bit on the accelerator while simultaneously toeing the brakes gives him greater control over the economy than going whole hog toward either stimulation or retardation of the availability of money.

FOOD FOR INDIA—TRIBUTE TO SENATORS ELLENDER, MILLER, AND AIKEN

Mr. MANSFIELD. Mr. President, yesterday the Congress completed final action on the food-for-India measure, which will provide badly needed sustenance vital to millions of starvation-threatened Indian people. The swift dispatch with which this measure was disposed of is a fine tribute to the entire Congress.

On the part of the Senate, we are particularly gratified for the outstanding efforts of the senior Senator from Louisiana [Mr. ELLENDER] in making certain that this measure was considered and disposed of promptly. The highly astute and very able chairman of the Committee on Agriculture, applying his careful diligence and high efficiency, contributed immensely to the Senate's unanimous endorsement of the proposal.

To the same extent, we appreciate the support given by the junior Senator from Iowa [Mr. MILLER]. His work, both in committee and on the floor, was characterized by typically strong devotion and effective leadership.

Other Senators are similarly to be commended for assisting so ably to assure unanimous Senate approval. Notable in this respect were the efforts of the senior Senator from Vermont [Mr. AIKEN], the ranking minority member of the committee whose support for this measure was no less strong and effective than his support for all measures which he advocates. Similarly, the Senator from South Dakota [Mr. MCGOVERN] is to be thanked for offering his always constructive assistance.

Again, I would say that by its action the Senate has helped immensely to relieve the people of a famine-ridden nation with a clear, swift, and, we all hope, an effective response.

PROPOSED COUNCIL OF SOCIAL ADVISERS

Mr. MONDALE. Mr. President, the social scientists in our universities and in outside research organizations constantly analyze and explain trends and shifts in the behavior of groups in our society and anticipate future trends.

So valuable is their assistance that many times congressional committees have called upon them to testify, especially when investigating matters having to do with poverty or the rehabilitation of our cities. They are recognized as experts in their field, and their testimony has been invaluable.

In February, I introduced S. 843, the Full Opportunity and Social Accounting Act, and subsequently asked a number of social scientists in the Nation's outstanding universities for their views.

The legislation I proposed would establish a President's Council of Social Advisers, paralleling the Council of Economic Advisers. It would require the President to submit an annual social report, the social equivalent of the Economic Report. Finally, it would establish the joint congressional committee with oversight responsibility.

The social scientists responded to my invitation with enthusiasm, and as a result, I have received many stimulating letters offering comment and constructive criticism of the proposed legislation.

I received several recently which I thought particularly noteworthy because of the cogency of their comments. They were written to me by Joseph L. Fisher, president of Resources for the Future, Inc.; Britton Harris, professor of city and regional planning at the University of Pennsylvania; Lyle W. Shannon, chairman of the department of sociology and anthropology at the University of Iowa; Ivan Belknap, acting chairman of the department of sociology of the University of Texas; Roy G. Francis, dean of letters and science at the University of Wisconsin-Milwaukee; Howard E. Freeman, professor at the Florence Heller Graduate School for Advanced Studies in Social Welfare, Brandeis University, now a visiting professor at the University of Wisconsin; Eliot Freidson, professor at New York University; and Peter I. Rose, chairman of the department of sociology and anthropology at Smith College, Northampton, Mass.

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

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

MARCH 15, 1967.

Senator WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: I am pleased to respond to your letter of March 3 about S. 843, "Full Opportunity and Social Accounting Act of 1967," by saying that I am much intrigued and heartily in favor of having the government move toward a careful and comprehensive consideration of social trends and problems as a basis for improved legislation and administration of government programs.

I have been thinking about social indicators relating to water and air pollution and other aspects of the natural environment in connection with the publication of the ANNALS of the American Academy of Arts and Sciences, now being undertaken. In the course of drafting one of the articles I have realized more fully than before the immense difficulties in finding indicators of environmental quality which would have human and social relevance, rather than simply being physical measurements of contaminants in streams and in the atmosphere. Furthermore, in this country we don't really

know very much about the physical condition of our environment; that is, in an organized, systematic way with a consistent record of longer-term trends.

In short, much remains to be done in the conceptual and methodological fields before we will have available accurate and revealing indicators of social conditions with respect to the natural environment.

Having served for an extended period on the staff of the Council of Economic Advisers, and in a way having succeeded Bertram Gross as its Executive Officer, I have from time to time given some thought to your idea for a Council of Social Advisers. I am inclined to think this would be a far reaching and important step, but I would like to see the idea exposed thoroughly to critical hearings first. I am pleased that your bill is being referred to two important committees for their consideration. I shall be most interested to follow the hearings and would hope that your bill, with perhaps some changes and improvements, can then be given full consideration by the Congress.

Sincerely yours,

JOSEPH L. FISHER.

UNIVERSITY OF PENNSYLVANIA,
Philadelphia, March 15, 1967.

The Honorable WALTER F. MONDALE,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR MONDALE: Thank you for your letter of March 3 and enclosures.

I concur wholeheartedly in your suggestion that Congress and the Federal government should take a more systematic view of measuring social progress, and I hope that your efforts to legislate a system of social accounting will be successful. As a planner and social scientist, I recognize that many difficulties lie ahead in developing these concepts, but they will not be overcome unless a systematic program of action and work is initiated.

I am taking the liberty of sending copies of *this letter to* Senators Harris and Clark.

Sincerely yours,

BRITTON HARRIS,
Professor of City and Regional Planning.

THE UNIVERSITY OF TEXAS,
Austin, March 16, 1967.

The Honorable WALTER F. MONDALE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MONDALE: From a somewhat isolated regional position I must tell you that I am not only pleased but flattered that you thought it worthwhile to send me a copy of the introduction to S. 843.

I hope your office can keep me informed on the progress of this effort. There is no question but that you are on the right track. Much of my own work has been developed with the hope that this country would eventually develop a continuous sociological audit of the type you propose. Such a step is the only possible answer to the needs of growing complexity in our social structure; yet, up to the present time, even our best political thinkers seem to think that good intentions are all that is needed to guarantee the success of social legislation. The idea that this success might be dependent on a continuing accurate feedback on the effects and adjustments of such legislation doesn't seem to have dawned on anybody except you.

I wonder if you and some of your colleagues could perhaps amplify the wonderful idea set forth in the S. 843 introduction into and explicit study committee, with perhaps NSF funds, to study and recommend a set of indicators and a feedback system to do what is obviously necessary? I know at least six dedicated social scientists who would immediately buy the idea and slave away at it.

Congratulations on a pioneering vision.

Sincerely,

IVAN BELKNAP,
Acting Chairman.

THE UNIVERSITY OF IOWA,
Iowa City, Iowa, March 17, 1967.

Senator WALTER F. MONDALE,
U.S. Senate Office Building,
Washington, D.C.:

I was pleased to receive your letter of March 6 and the extract from the Congressional Record of that date. In reference to the "Full Opportunity and Social Accounting Act of 1967," let me simply say that I have been concerned with the need for better social statistics since the beginning of my professional career. You may be sure that I do nothing but applaud your efforts.

Back around 1950 when I was working on my Ph. D. dissertation I became aware of the fact that economic statistics were plentiful, but that even in some of the most advanced countries of the world social statistics were scarce or nonexistent. Since that time I have been involved in various research projects and every one of them has, in one manner or another, suffered from the lack of adequate social statistics or has attempted to develop a way of determining what is going on from the meager data available. In more recent years I have been attempting to measure juvenile delinquency for one thing, and poverty for another. We are spending millions and billions of dollars in our attempts to deal with the problems of the less fortunate but more often than not have no way of determining the effectiveness of our programs. The disappointing thing to me has been that some people even resist efforts to measure the effectiveness of programs in which they are involved.

I know that you are a very busy Senator and would not expect you to go into a stack or reprints in any great detail, but will send along a few items that may be of interest to you as well as a recent report that we have completed on the adjustment problem of immigrant Mexican-Americans and Negroes.

It would seem to me that if we had a system of social accounting, Congress would feel more like supporting some programs and would have a good basis for discarding others. If someone comes along with a proposal for assisting the less fortunate of one sort or another and the Senate does not support that program, but supports another, it is readily subjectable to criticism. If a social accounting system were set up, those who control the purse-strings for us would find it far easier to justify their actions to their constituents.

Should there ever be anything that I could do to assist you or your staff, you may be sure that I will be glad to do so.

Sincerely yours,

LYLE W. SHANNON,
Chairman.

THE UNIVERSITY OF
WISCONSIN—MILWAUKEE,
Milwaukee, Wis., March 9, 1967.

Senator WALTER F. MONDALE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MONDALE: Thank you for your letter and the enclosed speech you gave to the Senate on a proposed "Social Advisors Committee." In general, I want to suggest enthusiastic and wholehearted support for your proposal. Let be know what I can do to assist you in behalf of your idea.

As a research methodologist in Sociology, as a member of the American Sociological Association Committee on social statistics, and as a college administrator, I have concerns which you obviously share. That we need systematic data collection and analysis is all but obvious. Fortunately our technology is now sufficiently sophisticated to handle the data required. A few years ago, analyses that required more than twenty measures were enormously difficulty. The emergence of contemporary data processing hardware, however, reduces the effort required.

Your idea is, therefore, technologically feasible in a way that a few years ago it was not. Moreover, it would lend itself to various uses, already suggested (for example) by Mayor Henry Maier of Milwaukee on the need to establish "data banks" for urban-related problems. In addition, it would lend itself to the definition of "bench marks" from which social trends and change could be measured.

History is replete with rather drastic failures of prediction in the social area. Malthus, using what to him was the best data, predicted a general increasing rate of population growth precisely at a time when, in Industrialized Europe, it was already changing. Marx predicted that the level of living of the working group would deteriorate as productivity increased—the data of his day tended to support such a prediction. As recently as 1946, American demographers had predicted that the United States population would reach a total of 164 million by 1980. There are other examples. All suffered from a lack of the kind of data you propose. All suffered from an inability to conduct the kind of analysis you propose.

Obviously, your proposal requires the most careful work by social scientists. Let me know, as I said, how I can be of assistance. I would be glad to be able to react to any phase of any formal proposal, to give advice, or to write.

It is perhaps too late for proper congratulations, but let me congratulate you now on your victory last November. As one who had campaigned earlier for you (and, of course, for my good friend Gene McCarthy), I was particularly pleased with the role you played vis-a-vis Karl and Sandy. Not only was your loyalty honorable and deserving of praise, you demonstrated most clearly the proper way for youth to be served, for new leadership to emerge. I know that there must have been some difficult moments along the way, but you should always take pride in the way you combined integrity and political astuteness. Again, congratulations on your election.

Sincerely,

ROY G. FRANCIS, *Dean.*

THE UNIVERSITY OF WISCONSIN,
Madison, Wis., March 15, 1967.

Senator WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: Thank you for sending me the information on your proposed Social Accounting Act. As a member of the Secretary of Health, Education, and Welfare's panel on social indicators, I have become quite involved in the prospects and problems of social accounting. Naturally, I support wholeheartedly your proposed act. I particularly applaud the emphasis you have given to the task: I agree completely that we must seek to maximize the use of existing information and at the same time devote as much energy as possible to the development of improved and more comprehensive indicators.

I would appreciate being kept informed of the progress of the Senate on your bill. Please feel free to call upon me if I may assist you and your colleagues in any way.

During the summer I shall be at the Department of Sociology, University of Colorado in Boulder, and then in the fall I will return to my post at the Florence Heller Graduate School for Advanced Studies in Social Welfare at Brandeis University. If your office could note these addresses, I would be most grateful.

Sincerely,

HOWARD E. FREEMAN,
Visiting Professor.

NEW YORK UNIVERSITY,
New York, N.Y., March 14, 1967.

The Honorable WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: Thank you very much for sending me the Congressional Record for February 6, 1967, recording your in-

troduction of the "Full Opportunity and Social Accounting Act of 1967," S. 843. While I found your introductory remarks very fruitful, interesting, and important, I must confess that it is rather difficult to comment on the legislation without seeing a copy of the act itself.

Certainly there seems to be little doubt that we need some such Council of Social Advisors, which would compile and analyze social statistics, devise a system of social indicators, and evaluate the effectiveness and impact of our government's efforts to improve the life of citizens of the United States. I am sure that you are aware of how problematic it is to create such indices, and how extremely delicate in a political sense the undertaking would be. Nonetheless, it is very worthwhile and I do hope that something of the sort can be instituted.

One thing I am very concerned about in some of the discussion going on in Washington, however, is the idea that in some way all of the government statistics on individual citizens of the United States could in some way be centralized in some "data bank." I regard it as very dangerous to the privacy and freedom of the citizen that such a program of coordination of information be undertaken. I hope very much that in the Social Accounting Act of 1967 there is no provision for legislation setting up such a program of centralization. There is no doubt whatsoever that if all of the information were centralized it would provide considerably better compilations for the Council of Social Advisors that you are urging. The problem here, as in many other areas in our political life, is to balance the increase of efficiency against the decrease of personal freedom and privacy.

Again, please accept my congratulations and good wishes for the idea of recommending such an act as is described in the Congressional Records. Set up properly, it should help us to improve both our social policies and the quality of life of the citizens of our country.

Yours sincerely,

ELIOT FREIDSON, *Professor.*

UNIVERSITA DI NAPOLI,
Northampton, Mass., March 13, 1967.

The Honorable WALTER F. MONDALE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MONDALE: Your letter of 6 March 1967 arrived on the day I was leaving for a lecture tour in Europe. My topic for papers to be presented here at the University of Naples and at the Institute for Social Studies in the Hague is "The Social Consequences of Racial Discrimination in America". Having struggled for many years to make sense of the very uneven data available on the topic, your letter—and accompanying statement—is most encouraging.

I do not have time at the moment to write a detailed commentary on the proposed Social Accounting Act. (I would be pleased to do so upon my return in April). For now, let me say that, while I share many of my colleagues' grave concerns with undisclosed motives in the government's support of research and academic activities (viz. "Project Camelot", CIA-NASA collusion, etc.) and am therefore somewhat wary of possible reaction to a National Social Science Foundation as proposed by Senator Harris, I still strongly favor the establishment of a Council of Social Advisers and a coordination of research and planning activities. Even this, as I see it, is no small task. Unlike the case of economic planning in which few laymen consider themselves expert, the Council and its consultants will have to address themselves to the conflicting attitudes extant throughout society on what constitutes social welfare and reform even as they are culling together fugitive statistics on the many areas mentioned in your statement. But let them begin . . .

I would appreciate being kept informed of the committees' deliberation. If you would like more detailed comments from me, please feel free to write.

Sincerely,

PETER I. ROSE, Ph. D.

DAIRY IMPORTS SHOULD BE CURBED

Mr. PEARSON. Mr. President, American dairy farmers have suffered a price-cost squeeze for several years now and during recent months their economic situation has taken another sharp downturn.

The dairy farmer is understandably greatly disturbed about the current price-cost squeeze. And whether or not one approves of this type of action, the current milk withholding movement by the National Farmers Organization is dramatic evidence of the growing discontent of dairy farmers.

Evidence of this long-term adverse economic situation is to be found in the sharp decline of dairy farmers in the past 2 or 3 years. The number of all types of farms across the country has been declining, but nowhere is this decline as sharp as among dairy producers.

Because of this decline in the number of dairy farmers, production has been substantially reduced and with this reduced production there was a wide expectation that given the natural forces of supply and demand, dairy product prices would increase.

Mr. President, this has not happened. Prices have instead declined. And they have declined at a time when prices for the products that the dairy farmer must use have continued to rise.

Mr. President, a major cause for this adverse price situation is the dramatic increase in the volume of imported dairy products into this country. Dairy product imports in 1966 were three times greater than in 1965 and at the current rate these imports in 1967 will be approximately 4½ times greater than in 1965.

That the Government should allow this sharp increase in dairy production at the very time it is supposedly attempting to stabilize domestic prices through various price support activities is totally contradictory. Moreover, it is to be noted that the great volume of these imports is coming from the Common Market countries in Europe which are now resisting efforts by American negotiators to secure fair and reasonable trade agreements between this country and the Common Market members.

Mr. President, this situation can and must be corrected. The proposed Dairy Import Act of 1967 (S. 612) would provide the relief that is needed by limiting current imports to the average butterfat milk solids shipped into this country during the years 1961 and 1965.

This is an entirely reasonable proposal which allows importers to share in the market gains in the future.

Most importantly it would do a great deal to stabilize domestic prices and bring richly deserved relief to American dairy farmers.

Mr. President, S. 612 has been cosponsored by 46 Senators, including myself, and is widely supported by dairy farmers and their spokesmen across the country.

Another indication of this broad base support is action recently taken by the Kansas House of Representatives in passing House Concurrent Resolution No. 1029, commending the members of the Kansas congressional delegation to support the Dairy Import Act of 1967.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD.

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

HOUSE CONCURRENT RESOLUTION 1029

A Concurrent Resolution commending the Kansas Congressional delegation for its support of the "Dairy Import Act of 1967" and urging the Congress of the United States to promptly pass this bill

Whereas, Effective import controls of foreign-produced dairy products is indispensable to dairy farmers and of extreme importance to the general public; and

Whereas, These controls are important to allow farmers an opportunity to achieve parity prices for their milk and butterfat; and

Whereas, Achievement of parity price goals cannot be attained if large-scale imports are permitted; and

Whereas, Import controls are necessary if United States farmers are to compete with imports made cheap through subsidy arrangements; and

Whereas, From 1953 to 1965 the import increase was 75%; in 1966 it was 433% and it is estimated that in 1967 imports will show an increase of 567% above 1953; and

Whereas, Legislation has been introduced in both the Senate and House of Representatives of Congress providing for a "Dairy Import Act of 1967"; and

Whereas, The United States senators from Kansas, and the members of Congress representing each of the congressional districts have sponsored these bills; and

Whereas, The only recourse appears to be to enact legislation now before Congress which is entitled the "Dairy Import Act of 1967": Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein: That we hereby commend the Kansas members of Congress, United States Senators Frank Carlson and James Pearson, and Representatives Robert Dole, Chester Mize, Garner Shriver, Joe Skubitz and Larry Winn, for their actions in introducing and supporting legislation entitled the "Dairy Import Act of 1967"; and that we strongly urge the Congress to act promptly and enact this legislation; and

Be it further resolved: That the secretary of state be directed to transmit enrolled copies of this resolution to the President of the United States and to each member of Congress from the state of Kansas and to the United States secretary of agriculture and to the chairmen of the committees on agriculture of the United States Senate and House of Representatives.

I hereby certify that the above Concurrent Resolution, originated in the House, and was adopted by that body March 13, 1967.

JOHN J. CONARD,
Speaker of the House.
L. O. HAZEN,
Chief Clerk of the House.

Adopted by the Senate March 14, 1967.

JOHN CRUTCHER,
President of the Senate.
RALPH E. ZARKER,
Secretary of the Senate.

OFFICE OF EDUCATION EXCEEDS SCOPE AND INTENT OF CIVIL RIGHTS ACT OF 1964

Mr. TALMADGE. Mr. President, Congress was very specific when it enacted title VI of the Civil Rights Act of 1964 in prohibiting the enforcement of many of the provisions of the act in order to *attain* racial balance or to overcome racial imbalance.

Yet, this is exactly the effect of what the Office of Education has undertaken to do by virtue of its so-called desegregation guidelines which set forth quotas and ratios not only for students but for teachers, as well, with the penalty for noncompliance being the loss of all Federal education assistance.

Because of the heavy-handed way in which he and his staff have dealt with school systems in connection with title VI, and because of the way the Office of Education's edicts and regulations have exceeded the scope and intent of the law, Education Commissioner Howe has become one of the most unpopular and controversial Federal officials in our Government.

On March 17, the Washington Evening Star published an excellent editorial column in which David Lawrence discussed this matter in forceful and revealing terms. Mr. Lawrence points out the dangers inherent in allowing a Federal bureaucrat to use Federal funds in order to coerce State and local governments into doing his bidding.

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

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

A MATTER FOR CONGRESS TO HANDLE

(By David Lawrence)

Nowhere in the Constitution or in a Supreme Court decision or in an act of Congress is authority given to the federal government to tell the public schools what teachers they may select or otherwise to exercise control over the choice of faculty members of an educational institution. Yet the U.S. commissioner of education has just notified 17 state governments that, in effect, he intends to withhold federal funds unless they obey the rules he lays down.

The circular letter to the state school superintendents says that at least two Negro teachers must be assigned to predominantly white schools and two white teachers to each school where Negroes are in the majority. The objective is to start to achieve "racial balance," and each year hereafter the quota will be increased.

Neither the Supreme Court of the United States nor any law of Congress since the court's 1954 decision on segregation has commanded the schools to "integrate." The only word used is "desegregation," and the Civil Rights Act of 1964 defines it as follows:

" 'Desegregation' means the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin, but 'desegregation' shall not mean the assignment of students to public schools in order to overcome racial imbalance."

Congress, however, is doing nothing about the flagrant violations of the law that are involved in stretching the word "desegregation" to include the assignment or selection of teachers. It is true that the statute provides for appeal to the courts against such action, but this involves lengthy and costly litigation. And what school district likes to antagonize the agency of the federal government which controls the purse strings?

Clearly this is a matter for Congress to handle. It can forbid the use of public funds as a form of blackmail or for purposes not set forth in the law.

The "desegregation" decision of the Supreme Court in 1954 ruled that the assignment of students in public schools solely on the basis of race is in violation of the 14th Amendment, which guarantees "equal protection of the laws" to all citizens. The decision did not say that local school authorities cannot use other criteria in the assignment of pupils, and the Civil Rights Act of 1964 specifically provides that nothing in the law "shall prohibit classification and assignment for reasons other than race, color, religion, or national origin." But if a local board permits students to choose which school within the district they will attend, the same rule has to be applied to all, irrespective of race or color.

Selection of teachers, however, is the prerogative of a school district. The U.S. Department of Health, Education and Welfare on the other hand, has virtually taken over the educational system. Will the choice of textbooks for the classroom come next?

Some idea of what is happening can be gained by a reading of the testimony of Duane J. Mattheis, Minnesota's commissioner of education, who told the House Education and Labor Committee this week that many federal education programs are being injured by "a mixture of politics, bureaucracy and increased control and direction from the U.S. Office of Education." He added:

"From what I have experienced, all ideas and innovations relating to education, good ones that is, don't originate in the U.S. Office of Education, and they never will. There is need for significant additional state responsibility and authority with regard to the administration of federal education legislation."

This issue doubtless will emerge in the next political campaign. President Johnson thus far has acquiesced in the concept that federal funds may be used to coerce the states.

ANTIDISCRIMINATION DAY

Mr. CASE. Mr. President, today has been designated International Day for the Elimination of Racial Discrimination by resolution of the United Nations General Assembly. It was my privilege to serve on the U.S. delegation to the 21st session of the General Assembly last fall, at which this resolution was adopted, and I was in complete agreement with this action.

The immediate focus of this commemorative day is, of course, the apartheid policies of the Government of South Africa, for this is the seventh anniversary of the Sharpeville massacre, when South African police fired at a peaceful rally of Africans, killing 68 persons and wounding nearly 200 others.

Those of us who have worked to eliminate all forms of racial discrimination in the United States can point to real—if limited—progress over the past 7 years. By contrast, South Africa has moved backward, placing increased reliance on repressive measures to maintain and strengthen its walls of separation between the races.

It has been disappointing to me, therefore, that the executive branch of our Government, which has championed civil rights at home under Presidents Eisenhower, Kennedy, and Johnson, has been less than completely forthright in its condemnation of apartheid in South Africa.

Only a few weeks ago, for example, I was shocked to learn that the Navy planned to grant shore leave to the crew of the carrier U.S.S. *Franklin D. Roosevelt* during a refueling stop at Capetown. The crew, which includes many Negro servicemen, was to be put ashore subject to the entire gamut of segregationist laws that make up apartheid.

I joined in voicing protest against the Navy's plan, for it amounted to a tacit endorsement of apartheid by an arm of the U.S. Government. Such a step was unthinkable, in my judgment, in the face of repeated assurances that it is the firm policy of the United States to refuse to countenance apartheid by any official word or deed.

Our protest led to the cancellation of the shore leave plan, and while I regretted the disappointment this entailed for the crew of the *Franklin D. Roosevelt*, the alternative would have been disastrous. It is disturbing, moreover, that the Navy had to be reminded of this fact by persons outside the executive branch.

Today's commemoration also serves as a reminder that the International Convention on the Elimination of All Forms of Racial Discrimination, which was signed by the United States last September, has yet to be submitted to the Senate.

The Department of State, I am informed, is waiting first to see how the Senate will act on three other human rights conventions which are being considered by a special subcommittee of the Committee on Foreign Relations.

While I recognize that there is an element of controversy in all of these agreements, I fail to see why this should justify further delay in submitting the Convention on Racial Discrimination to the Senate. I urge the President and the Secretary of State to reconsider the matter.

SENATOR MOSS LOOKS AHEAD ON OUR FUTURE WATER PROBLEMS

Mr. MONTOYA. Mr. President, early last month, at a regional water symposium in Portales, N. Mex., where I spoke on our regional water situation, the distinguished Senator from Utah [Mr. Moss], speaking on the same program, delivered an excellent address that, among other matters, proposed a national approach to use of our water resources. I was profoundly impressed by the logic of his arguments, especially the subject of continental management of all water resources.

More recently, Senator Moss, emerging as one of our true experts on water resources, delivered an address in Wenatchee, Wash., elaborating on where we stand regarding continental management of our water resources. If anything, it was even more comprehensive than the first address I alluded to.

The concept my colleague brings forth and elaborates on is so vast, yet so graspable and essential, that it has ramifications for all areas of the Nation, every State, and all our people.

It calls for the collection of unused

water and its delivery to where it is needed. The continent as a whole is embraced in planning, while antipollution and desalinization efforts are woven expertly into the total picture.

In my State, water is a magic word, one that in many areas gets more attention than any other. Hence, my heightened interest, for this plan advocated by our distinguished colleague could write a new series of pages into the book of New Mexico's history. I therefore ask unanimous consent that this meaningful address, which Senator Moss delivered in Wenatchee, be printed in the RECORD, in the hope that other Senators may be enlightened by it as I have been.

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

ADDRESS OF SENATOR FRANK E. MOSS, DEMOCRAT, OF UTAH, AT THE PANEL DISCUSSION "A 'SOUTHWEST LOOK' AT NORTHWEST WATER" CONSERVATION CONGRESS FOR THE PACIFIC NORTHWEST, WENATCHEE, WASH., MARCH 7, 1967

I am very happy to have an opportunity to talk about NAWAPA (North American Water and Power Alliance) in this particular forum, and at this particular time.

In the first place, I like the company, the auspices, and the constructive tone of the discussion.

In the second, I find that the NAWAPA concept—the concept of continental water management—is growing in terms of its validity as an answer to national and international water problems.

A speaker sometimes finds it is helpful to start defining something by saying what it is not. A Canadian detractor during one of my visits to Canada last year described NAWAPA in these words:

"The North American Water and Power Alliance is not an alliance, it has no power, it has no water, and it is not North American. It was thought up in Southern California and it is just a scheme to enrich a Los Angeles engineering firm."

Ralph M. Parsons, the head of the firm which bears his name and which "thought up" the scheme, would probably like to hear what the critic had in mind about enriching the firm. I have been told that the Parsons Company has invested something over a half-million dollars in bringing the NAWAPA concept to its present state of development.

The results of the company's work were published in the spring of 1964, putting the idea in the public domain. *It is public property.* Mr. Parsons makes no proprietary claims on it. He says he will be amply repaid for his efforts if the idea is thoroughly studied. He is confident the long range answer to America's water problem will involve such a system—this one, or some variation or refinement of it.

Being in the public domain, the NAWAPA concept is subject to public analysis and criticism. It is subject to distortion and exploitation by its opponents. It is also open to modification and improvement.

One of the points I would like to make here today is that *NAWAPA is more important right now as a symbol than it is as a specific map routing of a water transfer and distribution system.*

It is the symbol of total water management. It embraces the things we need to do to preserve and extend our water resources.

The type of distribution system envisioned by *NAWAPA depends first upon the conservation of our waters and the abatement of pollution in them.* At the same time this type of system is *essential if we are to get the most out of both desalting and weather modification.* The latter is an area in which technology is moving very rapidly and we might look forward to the day when great rivers in the sky transport water from the seas to vast inland basins—water from which nature itself has removed the salt.

If we learn how to stimulate this overhead movement of moisture, we must also have very excellent collection and distribution systems so that we can make full use of the water we've tricked nature into hauling for us.

Similarly, desalting holds growing promise for man. But, as in any other business operation, the economic facts of life make the operation worthwhile only if one has raw materials and markets close together. Our great coastal cities meet this criteria. Desalting will certainly pay off first at the place where there is salt water and people to use the desalted product, but *desalting is no answer in the high inland plains.*

I am told that engineers have a rule of thumb to estimate the cost of moving large amounts of water over vast distances. It costs something like 40 cents a thousand gallons to lift water 1000 feet and move it 1000 miles inland.

Since there is a projected starting cost of about 25 cents to produce a thousand gallons at our newest and biggest planned desalting plants, this means fresh water can be delivered to the high inland areas for somewhere between 50 cents to $1.00 per thousand gallons. Retail distribution costs must be added to this figure. So you can be sure we are not talking about irrigation water. These prices approach $300 an acre-foot.

These are rough figures, of course, but they do serve to highlight one fact. They make it clear how *valuable is the gravity stored energy in the water which nature desalts and deposits in the mountainous areas of the continent. It is this gravity stored energy which NAWAPA exploits to start the continental distribution system working.*

A NAWAPA type system will pay off in many ways. *It will serve conservation and pollution control objectives and at the same time improve the economics of desalting and weather modification.*

We cannot afford to slacken our efforts to develop low cost desalting processes, nor our efforts to find ways to stimulate precipitation. But to make full use of both technologies, *we must have a surface distribution system. This NAWAPA provides.*

In essence NAWAPA is a system for collecting in the high lands of the north some of the water discharging unused into the seas and bringing it to the areas of the continent where it is most needed.

Its primary significance is that it represents the first time the water resource planners have treated the continent as a whole. For the first time, we are looking beyond the brow of the hill which is the rim of the basin, or sub-basin, which has been traditionally the horizon of our water planning.

It is interesting to note that the original NAWAPA plan continues to expand. Its designers, of course, have made it very clear that it represents only a concept, and that when field engineering starts, we will find many ways to improve it. It is also interesting to note that NAWAPA has stimulated a new approach to resource development in Canada, which now has at least three subcontinent water collection plans that cover a part of the same ground as NAWAPA.

NAWAPA has three main service stems, or operating regions. One is along the west slope of the rockies and extends from Alaska to the Tamaulipas delta lands of the Rio Grande in Mexico. This western stem is the largest segment of NAWAPA and is of primary importance to the northwest.

The second service area is the vast plains of the central continent. This covers the three prairie provinces of Canada—Alberta, Saskatchewan and Manitoba—and the entire high plains area of the United States from Montana and North Dakota to Texas. This area of NAWAPA has been given less attention than the far west and northeastern regions. It's importance is rapidly growing, however, because *there appears to be no other way of restoring the ground waters of the southern high plains than to bring in new water from the far north.*

The third major service area centers around the Great Lakes. It involves collecting water now flowing into Hudson Bay and redistributing it through the Great Lakes for the benefit of eastern Canada and north-central and northeastern United States. This is the area which offers the greatest hope of early cooperation between the United States and Canada on continental water planning since. In the pollution of the Great Lakes, we share a mutual and urgent problem. There are some indications, therefore, that the first move toward an eventual continental system will be made in the Great Lakes region.

However, it would be ironic, in my estimation, if we found ourselves negotiating for *international* water exchanges before we had arranged for large scale *interstate* or *interbasin* exchanges within the United States. I don't think this will happen, for the simple reason that *we must have a national system of water distribution before we can take advantage of a continental system.* I am optimistic that we will reach both objectives simply because I have immense confidence in the good sense of the people on both sides of the border.

I was in Canada twice last year to discuss Nawapa—the first time in June when I appeared, with the late General A. L. G. McNaughton, before the Royal Society of Canada at the University of Sherbrooke near Quebec, to discuss the concept and aspects of Nawapa, and the second time in August when I spoke at one of the sessions of the 1966 water quality symposium in Montreal.

I was received courteously by both the distinguished scholars and scientists of the Royal Society, and by the representatives of the water-conditioning business at the symposium who were seeking new ways of attacking water pollution. In both groups I found a consuming interest in the Nawapa concept, and for the most part, a willingness to consider it with open minds.

Frankly, some of our Canadian neighbors have strong reservations about exporting water to the United States. Others are willing to assess their supplies, see what they will need for themselves, and then find out what consideration the United States wants to offer for their surplus water.

In every speech I have made, and in private conversations with Canadian leaders, I have made it clear that we in the United States are, and must be, interested only in *surplus* water, and then only after Canada has measured its water and projected its own ultimate requirements, and has found that it would be in Canada's own self-interest to sell its surplus water to the profitable market south of the border in both the United States and Mexico.

Preliminary studies indicate that it is technically feasible and economically sound to collect, store and redistribute unused water from the northern reaches of the continent. And, unlike oil and uranium, *water can be marketed on a sustained yield basis.* If the producing areas are properly managed, they will continue without depletion to produce a "profitable crop" for export.

I said at Sherbrooke that both countries have a lot of homework to do before we can make up our minds to enter into a long term agreement for trade in water.

NAWAPA, as a continent wide distribution system, depends upon the water harvest from many producing areas. The first thing we must do to assure a continuing return from the $100 billion investment required for NAWAPA is to make a detailed water inventory and to make sure we are taking care of those water producing areas. We must be sure we do indeed have a continuous supply of surplus water to distribute.

The second thing we have to do is clean up the water courses we want to use in the distribution system. This means full steam ahead on pollution abatement.

Third, we must take a hard look at how we use water, to make sure we get the most mileage per gallon. This means *improving water using industrial practices*, and examining irrigation and other agricultural practices in order to get most for our money. *We need to exercise discipline in domestic use of water.*

And finally, we have to provide for the collection, storage, transfer and distribution of water.

These things can't all be done in sequence. There is no order in terms of importance or chronology. But these are the half-dozen things we can do about our water resource, and we have to do them all. Furthermore, we have to do them all at the same time, and from now on.

One of the great values of the NAWAPA studies is that they have brought these other objectives into perspective. While NAWAPA appears to deal only with collection, storage, transfer and distribution, it will be no good without conservation, pollution control, efficient utilization and discipline. It will also make desalting and weather modification more worthwhile.

It has one other great value. The concept of a continental system affords a context in which we can discuss interbasin transfers within the United States.

The Canadians chide us on the fact that we want them to join us in a continental water system but that we are not yet in agreement as to how we might connect up the several parts of our own system. They have a point. We do not have a very strong posture from which to bargain for imports.

NAWAPA, or something like it, is coming, simply because it makes so much sense for both Canada and the United States. I offered two stipulations at Sherbrooke. They are the starting point for negotiations on trade in water.

The first stipulation was that the Canadians and Americans want to live together in constructive peace for a long time, a very long time.

The second was that between us we occupy a continent-sized piece of real estate that is more favorable to man than any other comparable area of the world and if we want to stay here, we had better take care of it.

NAWAPA makes it immediately profitable to do so. It will provide the U.S. with water and strengthen our economy, but it will also strengthen our neighbor. It will provide Canada with a continuing inflow of investment capital for further development of her farms and factories. It will make both of us concentrate on conservation and pollution control—concentrate on taking care of nature's endowment.

The Pacific Northwest offers a clear demonstration of what this approach to the care and development of water resources can mean.

The Columbia River treaty was a great step forward, but all of the dams built or currently planned on the Columbia and its principal tributaries will not provide enough storage capacity for proper river regulation.

The NAWAPA plan would provide a degree of regulation of the Columbia which would wipe out its flood peaks and its low water troughs, stabilizing flow sufficiently to permit greatly increased power generation even from the existing and currently programmed facilities.

The advantages are quite apparent from a glance at flow variations. In the years we've been keeping records, the people along the Columbia have witnessed a high flow nearly thirty times the low flow. The recorded high was 1894, the recorded low 1937. During a single year, however, the high can be five times the low.

If the Columbia system is integrated into a continental system, the northwest empire can be assured of enough water for all its foreseeable needs, and get better use of the water in the Great Columbia artery itself.

The principal feature in this regulatory system would be the Rocky Mountain trench reservoir. Water brought from Alaska, the Yukon, and northern British Columbia would be stored in a great inland sea, stretching 500 miles from the Fraser River gap near Prince George in central British Columbia to the Kootenay outlet in Montana. This reservoir would have a storage capacity for a five year supply of water for the western stem of Nawapa. The indicated effect on the Columbia would be to increase the base flow at McNary Dam by 8700 cfs while lowering flood crests by 60,000 cfs.

NAWAPA would have a similar influence on the Clearwater, greatly increasing its hydroelectric potential and decreasing its flood damage potential.

Similar benefits are indicated for all the rivers that are joined in such a continental system. I believe the more we study the idea, the more advantages we will see in it.

The NAWAPA concept was initially evaluated by a subcommittee of which I was chairman back in 1964. On the basis of a comparison of this system with an inventory of all the water resource projects foreseeable for the next twenty years, we found that NAWAPA would provide twice as much water for about 25 percent more investment, and was subject to expansion. The advantages of NAWAPA have become even clearer since.

The very magnitude and daring of the NAWAPA concept have made us raise our sights, all of us, about water resource planning. It undoubtedly shaped President Johnson's recommendation for a National Water Study Commission to develop an overall national water policy.

That bill, introduced by your Senator Jackson, and passed by the Senate twice, is now under consideration in the House. It was lost last year in the debate over two additional federally financed power dams in the Colorado River. I believe its chances are better this year.

Before Canada and the United States sit down to talk about joint water resource development, both must do a lot of homework. The proposed National Water Commission, or some similar overall agency, could be the vehicle to get a lot of our homework done.

The type of discussion we have had here today is an important part of that homework. Public enlightenment is the only foundation upon which two sovereign governments can base an agreement. Similarly, public enlightenment and recognition of the total interdependence of the States of the United States, are the building blocks of a national water policy which will assure preservation of our precious water resources.

If my Sherbrooke stipulations that we have to take care of—and share—our resources in order to live on this continent in abundant and productive peace with the Canadians are valid; then equally valid and even more sharply apparent would be a stipulation that we Americans must do as much with our water resources here between our States and our regions!

ADDRESS BY CHARLES HABIB MALIK AT THE AMERICAN UNIVERSITY OF BEIRUT

Mr. HATFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an address entitled "Faith, Truth, and Freedom," delivered by Charles Habib Malik in the chapel of the American University of Beirut, on the university's centennial day, December 3, 1966.

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

FAITH, TRUTH, AND FREEDOM

(An address by Charles Habib Malik)

I. AN ACT OF LOVE AND GRATITUDE

A hundred years ago today an act of love and hope and faith was launched on these shores. We are met this morning to commemorate that act. The actors feared God and loved their fellow men. They believed that the Near East which time and again gave so much of its soul was worthy now to receive back from their bounty—the bounty of those who profited so much from its giving. It was therefore also an act of gratitude.

This time it was the West that came to the Near East to love and to serve, just as once it was the East that came to these lands to offer gifts and to adore. The same star, the same adoration, propelled and guided the West and the East to these humble shores between. It was therefore an act of unity among men—unity both across continents and across times—unity in peace and unity in good will.

The mustard seed has now grown into a great tree with luxuriant branches, to whose refreshing shadows birds from all over the world repair. The men and women who labored in this vineyard for three generations tended the tree with their soul. They struggled, they sacrificed, they suffered—and suffering and sacrifice in this kind of calling are unutterable at times—they endured, they planned, they built, they gave of their lives. Those of them who are no longer with us have passed on with the certainty of four satisfactions—the sheer joy of the work—a never abating joy, because the work at every point was so experimental and pioneering, so full of adventure; the rise before their eyes of something precious and unique; the universal recognition of the greatness of their work; and the gratitude of the lands they served. Few men have been blessed with a deeper certainty as the reward of their lives.

Without God and faith in God, this University would never have come into being, nor would it have endured. And I believe without God and faith in God it will not last and shine.

II. AN ENDURING ENTERPRISE

Few universities in the world display a comparable international and intercultural character to the American University of Beirut. One can name a few of its kind in the Far East and Asia, a few in the Middle East and Europe, a few in Africa and the Western Hemisphere—all honorable institutions doing great and good work. But this University is the oldest among them all, and none of them is as solid and secure, as influential and universally respected, as this one.

What does this prove? It proves two things: that the human and spiritual impulse which flung this University onto these shores, whatever forms this impulse may variously take, whatever transformations of itself it may undergo, is steady and undying; and that the social, spiritual and international conditions here are propitious for the flourishing of an institution of higher learning in which East and West harmoniously blend and cooperate. For these two reasons, and because both the creative impulse and the supporting conditions have now mightily stood the test of time for a hundred years, the future of the University is assured.

Lebanon is indeed proud that its spirit and its social conditions have decisively contributed to the possibility of this great institution striking firm roots in our soil. While I cannot speak either for the University or for Lebanon, I can nevertheless express the hope that the University, both in its own interests and for the sake of what it believes, be more actively concerned for the immediate soil in which it is planted—to the end that that

soil remain clement and free; and that Lebanon, again in its own interests and for the sake of what it believes, continue guaranteeing the University the necessary freedom under which it can further develop and bloom.

III. THE PROFESSIONS AND THE SCIENCES

There is going to be therefore a second anniversary of this University and a third and a fourth. We can speak only of the century immediately ahead, leaving it to those who will follow us to speak of the centuries beyond.

The medical sciences are certaintly going to prosper, partly because the human body is such a wonderful, inalienable, noncontroversial side of man, partly because American medicine, both in theoretical research and in actual practice, is at the forefront of world scientific endeavor. Besides, since it is a question of life or death, the medical relationship between men is one of the deepest and most compassionate.

Professional training in this University shall witness considerable advancement, partly from natural growth, partly because the exigencies of self-development in the Middle East and Africa are going to demand greater and greater perfection in this realm.

Mathematics, requiring only sharp intelligence—of which there is no dearth in these lands—adequate training and sustained contact with the centers of mathematical creativity throughout the world, can attain great heights here. The same is true to some extent of the theoretical physical sciences.

In the matter of applied physical science, I wish to single out one thing: the University will doubtless be drawn into research on the greatest single physical promise for the Middle East—the desalination of sea water on a large scale through nuclear energy for the irrigation of vast deserts. This is the real revolution of the future, and it is just over the horizon.

The coming four or five decades are going to be most formative and crucial for the development of the educational systems of the countries served by the University. Educationally, the University has something distinctive to give, and with full consciousness of its educational message, it should boldly seek, seize and create opportunities for giving it.

So far as basic knowledge and data are concerned, the Middle East is a relatively virgin territory. Therefore, the agencies for the collecting and compiling of facts and figures at the University have ahead of them a most exciting century indeed.

The comprehension of this basic material, the interpretation of it, the marshaling and utilizing of it with a view to the highest interests of our peoples—all this must await the appearance of great and bold and free minds, both at the University and at other universities, as well as among the political and spiritual leadership of the Middle East.

As soon as you approach man, controversy begins to loom. But universities thrive on controversy, provided the spirit is right. Certainly in the social sciences government, society and the economic process are all controversial, but this University with its liberal-humane traditions will allow considerable room for creative controversy, provided, I repeat, the spirit is right. Behind and above all controversy there is solid truth. Who determines right and wrong in matters of the spirit? Only the spirit—the good spirit—can judge the things of the spirit.

IV. LIBERAL EDUCATION

The professional and technical functions of the University are great—and the need and greatness of them are not going to wane in the decades to come. But I can conceive other agencies assuming them—assuming also with them all that we call research. While this University should always aim at producing the best doctors, engineers, experts, teachers, technicians, others can also aim at producing them. But what I cannot conceive any other institution taking over from this University with the same ease for many years to come is that side of our activity which we call liberal education. The liberally educated mind—this is the principal glory of this institution if it lives up to its highest.

Training in the methods of science, appreciating its power and its results, seeing the amazing wonders of nature and man disclose themselves before one's eyes in all their beauty and order; induction into the secrets and melodies of the ages, enlarging and liberating the mind, disciplining and sharpening the reason: the joy and value of free discussion, arriving at a free consensus after prolonged and fair debate and consideration, freely limiting oneself by freely respecting others; the free creation of beauty and grace, the appreciation of the valuable even where one finds oneself thereby sinking into a subsidiary detail, the transcendental view of the whole which only philosophy and the arts can impart; opening up the ultimate issues of man and destiny—seriously, authentically, freely, fully; beholding others and living and arguing with them for years—indeed the happiest years of one's life—on this beautiful campus in an atmosphere of freedom and leisure and mutual trust—it is these liberalizing functions that I believe the American University of Beirut, by its outlook, by its traditions, and by its very structure, is best suited to mediate for decades and generations to come—perhaps better than any other institution.

More than anything else the Middle East desperately needs the detached and disinterested mind, the mind that loves theory and vision for their own sake, the mind that is at home in fundamental ideas and first principles, the mind that can give an honorable account of itself among its peers in these realms anywhere else in the world. Nations and cultures wish to develop themselves; that is right and proper; but without prior development in theory you can never develop yourself in practice. The habit of responsible theory, the virtue of grounded theory—all this is the integral fruit of liberal education.

Nothing in this whole world equals the certainty and peace and power and joy which fill the soul after a trusting and profound discussion of the final themes among friends. You can gain the whole world, including every technique under the sun, but if you have not acquired, through friendly discussion, the power of thought whereby you contemplate, with others, the truth in the ecstasy of detachment, you have gained nothing. A principal aim of this University is the creation of such circles of friends, such possibilities of creative conversation, among the teachers, among the students, and between them both. The soul in communion wings its way to heaven itself.

It is only by entering organically into the great conversation of the ages that man becomes human. It is only by listening rapturously to the greatest in history that man becomes human. It is only by appreciating self-givingly the greatest philosophy, the greatest literature and the greatest art that man becomes human. It is only by discriminatingly avoiding the false simplifications of the human condition and lovingly understanding the complexities of life in diverse cultures and epochs that we succeed in lifting ourselves to the stature of man—with all that is universal and eternal and essential and infinite in him. And as soon as you find man in his fullness you develop a strange and sweet wistfulness which leads you inevitably to that which is above him. Now the agency for the humanizing of man is none other than liberal education. And while there is greatness in man and history, our life is worthless if we do not know it.

This University must take on greater responsibilities than most other universities; for much that is taken for granted elsewhere cannot be taken for granted here. This is part of its distinctive calling. On top of theoretical knowledge which is its principal vocation, the University must seek ways and means for the cultivation of fundamental attitudes of the soul—respect for law, respect for the truth, respect for labor, especially manual labor, placing the common good above the individual good, the unity of man, trust in reason, the open mind, the purification and deepening that comes from the knowledge of tragedy, the readiness to love the whole world—to love and love and love—and give until it hurts.

V. ENGLISH AND ARABIC

English is a wonderful language—wonderful not only because it is the bearer of one of the greatest literatures, nor only because more and better translations have been put into English than into any other language, but because it has virtually become the *lingua franca* of the world. No language in history has carried quite as much world responsibility—politically, intellectually, spiritually—as the English language carries today. So far as one can see ahead, this world role is not going to diminish in the coming century, and for English to be cultivated in this University is a special honor and a special calling.

Arabic, too, is a wonderful language—great in its past and great I am sure in its future. Due to its dedication to the fundamental American proposition of respect for freedom and independence, this University has always stressed and will always stress the Arabic language. Let the Middle Eastern mind enjoy direct and living access to the great treasures of its past, and let it at the same time be livingly fertilized and enriched by other heritages, and a new humanism and a new expression thereof will certainly ensue. Therefore, on top of language as language, for the University to help the Arab mind in particular to reconstitute itself in unity and comprehensiveness, in universality and depth, in freedom and openness, is a special honor and a special calling.

VI. HISTORY

The conception of history as unitary and purposeful first dawned in the Middle East. And today the greatest service that history can perform in the Middle East, both as the making of history and the writing of history, is to help in restoring wholeness and integrity to its future and unity and continuity to its past.

VII. RELIGIOUS RESEARCH

In this age of friendly dialogue—dialogue not only between Christians, nor only between Christian and Muslims, but between monotheists and all kinds of men, believing and unbelieving—the University, located as it is in the cradle of Western and Islamic civilizations, must assume new responsibilities in the field of religious research—all the more so now after the establishment of the world Ecumenical Institute in Jerusalem.

VIII. CLOSER RELATIONS WITH OTHER UNIVERSITIES

The future calls for closer academic relations between the University and the other institutions of higher learning in the Middle East, particularly in Beirut. The question is to find out in a spirit of humility and good will, how much the universities mutually enrich and complement each other, and how much they can therefore fruitfully and practically cooperate in joint projects. I am sure humility and good will abound on all sides, and therefore this matter should—and I believe will—be boldly explored.

IX. EUROPE AND THE MIDDLE EAST SHOULD BE DRAWN IN

Intellectually and spiritually Europe should be drawn in more and more into the University—in proportions that cannot now

be foreseen. Of course the Middle East will be drawn in more and more into the heart of the matter, at every level—again in proportions that cannot now be foreseen. But in whatever proportions and modalities America, Europe and the Middle East shall energize in our common enterprise, let it never be at the expense but always to the glory of truth, man and freedom.

X. THE SPIRITUAL DEVELOPMENT OF THE WEST AND THE MIDDLE EAST

The University is not independent of the development of the spirit in the West. Let the cynics and the pessimists and the tired and the misinformed and the insufficiently informed know this: the spirit will never die—the highest spirit, the deepest spirit, the most truthful spirit, the most joyous and creative spirit—and the University will always be the beneficiary of this spirit—in its own way and under its special limitations.

Nor is the University independent of the development of the spirit in the Middle East. I know our many tribulations in these lands and I know our pitfalls. But nothing is fated and foredoomed. It all depends on the vision and concern and determination of the men of good will, both in and outside the Middle East. One man sounding the clarion call in the right way to the right people at the right time can alter the whole course of events. Also people learn and mature and change under the chastening knocks of experience. The conflicts and contradictions and impossibilities which riddle the Middle East at this moment, could, in God's own day and in God's own way, precisely on account of their intensity and depth, generate new creative potencies bursting forth into one of the greatest flowerings of the spirit. In the meantime, let us hold fast to the deepest we know, seeking ever the deeper still.

In the faithlessness of this age, the University can and will remain faithful; in the lostness of this age, the University can and will remain truthful; and amidst the slavery which has afflicted the men of this age, both their body and their soul, the University can and will remain free—and the free dispenser of freedom.

XI. FREEDOM

No matter how much our ancient peoples, coming now anew of age and wishing to catch up with all that is going on, need skills and techniques—and the University should aim at providing them with the best skills and the finest techniques—they silently, appealingly, perhaps unknowingly hunger for freedom, justice, wisdom, trust, love, righteousness, strength of character, the peace and joy of the spirit. For nowhere were these things more coveted and sung than on this soil and under these skies.

Freedom then is the thing—freedom and love; for the free must love, and only the loving is free.

People talk about freedom. They talk about it as though it were an idea or a principle or a mere hope. But freedom *is free men.*

Now the free rejoice in the truth and seek it with all their heart.

Since the truth is one, they lap it up in whatever fragment or aspect or reflection of itself they find it.

They are free exactly to the extent they know the truth and do their utmost to obey it, not only in mathematics and the sciences, not only the truth of history, but their own personal truth, the truth of man's dealings with man, and the highest truths of the spirit.

There is no false note about the free: they are whole, integral, entire.

The free can only love, for hate divides.

There is no bitterness, there is no resentment in the heart of the free: there is only love.

The free are never afraid, for they have nothing to hide.

They never intrigue; they never conspire in the dark; they live and act in the light.

The free never backbite, because their heart is in the things above.

There is no envying and strife among the free, for who can envy being and who can quarrel with truth?

The free never forsake one another, for to whom will they then go?

The free never chop up history to bits and pieces: they hate arbitrary beginnings.

Where they cannot speak, where they should not speak, they are silent, and silence speaks mightily.

In the presence of something great and higher than themselves, they do not fret and wish it away: on the contrary, they rejoice and bow their heads in gratitude.

The free understand and forgive, and nothing people need more than to know the foregiveness of the free and the freedom of forgiveness.

The free radiate freedom through their mere presence, through the strength and freedom of their spirit, through the obvious light that shines from their brows.

Being is personal; therefore, according to those you associate with and admire and follow, you are. Seek, then, the company of the free.

Freedom passes from man to man by contagion. The problem of the first free man or men is therefore crucial. Seek the free wherever they are and inquire into where they got their freedom from. Then you will be happy indeed; then you will have life and have it more abundantly.

Freedom *is free men.* Whatever else this University does or plans to do, it must always have a few free men in its midst—men of truth, men of understanding, men of spirit, men of fun, men of joy, men of heart, men of peace—positive men, deep men, humble men, gentle men, true men, loving men, forgiving men, thankful men. These men alone constitute the meaning of the University; by them alone it justifies its existence here; through them alone it hands on its message. To secure them is always its primary task, its first preoccupation.

XII. THE FOUR FINAL WORDS

There remain four final words.

First a word to the students of the coming generations:

"Ask, and it shall be given you; seek, and ye shall find; knock, and it shall be opened unto you." And in finding, never let the good become the enemy of the best, for I assure you there are depths beyond depths of truth and being which are yours for the asking.

Then a word to the present and future faculty:

Nothing that is good elsewhere in every field of knowledge and being is not also good and possible here. Therefore, do not grudge the students the best you know nor the best that you possibly do not know. Especially as nothing deeper or higher has ever been seen and realized anywhere than what was seen and realized in terms of being and nearness to God in the eastern Mediterranean.

Then a word to the present and future Board of Trustees:

You are the stewards of a pearl of great price. We want the best men here—faithful men, dedicated men, free men. We do not want the best available men; no, that is not good enough: we want the best men made available. Above all, I beg you never to say, because "the area" does not support us materially, therefore let us fold up and go—and there are ways and ways of folding up and going. This is intellectual and spiritual abdication. One can perhaps understand political abdication and withdrawal, but abdication in the order of the spirit I cannot understand. It is enough to be given the opportunity not only to exist here but to be as deep and as free as you can. This is the only "support" you really need. Make full use of it and see that it continue, and be thankful. And since you cannot possibly abdicate intellectually and spiritually, the material support will come to you from a thousand sources—"good measure, pressed down, and shaken together, and running over."

Finally a word to the men and women who will be celebrating right here the 200th anniversary of the University in the year 2066:

In contemplating the development of the University, may you find us of the year 1966 half as worthy as its founders of the year 1866, and may those of the year 2166 find you twice as worthy as we are. And let us all, we and you after us and they after you, join together in repeating with David what I am sure Daniel Bliss and his colleagues would love also repeating with us (Psalm 100):

"Make a joyful noise unto the Lord, all ye lands.

"Serve the Lord with gladness: come before his presence with singing.

"Know ye that the Lord he is God: it is he that hath made us, and not we ourselves; we are his people, and the sheep of his pasture.

"Enter into his gates with thanksgiving, and into his courts with praise: be thankful into him, and bless his name.

"For the Lord is good; his mercy is everlasting; and his truth endureth to all generations."

SENATOR CLAIBORNE PELL

Mr. NELSON. Mr. President, although the junior Senator from Rhode Island [Mr. PELL] is only beginning his second term as a Member of the Senate, he has already gained wide recognition as a pacesetter in a number of areas vital to the growth and development of our country.

His perception and imagination have resulted in new approaches and a program for interurban transportation, oceanography, education, and cultural affairs. The plans which he is advocating today will be crucial factors in the future improvement of our society.

An article about Senator CLAIBORNE PELL, written by Ernest Cuneo, effectively describes the scope and range of his activities thus far in the Senate. I ask unanimous consent that the article be printed in the RECORD.

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

RHODE ISLAND'S CLAIBORNE PELL, A RISING STAR IN U.S. SENATE

(By Ernest Cuneo)

NEW YORK.—Senator Claiborne Pell of Rhode Island has attained national importance in the quiet tradition of senators Hull of Tennessee, Glass of Virginia and Wagner of New York. Though labeled differently, these giants of the Senate took deliberate aim at the problems of their times in the light of the future expansion of the country.

Senator Pell has followed this pattern. Reelected by an overwhelming majority in the last election, it is a fair assumption that the gentleman from Rhode Island, backed by unprecedented majorities in his electorate, will expand his blueprints of the future. They, like those of his predecessors, envision an America 20 years from the present.

With almost breathtaking and unnoticed daring, Senator Pell is pioneering into three fields, any one of which is of transcendental national importance. Apparently embracing the theory of the 20th Century Fund studies that one gigantic city is emerging on the At-

lantic Seaboard, extending from Boston to Richmond, the Senator has become virtually the spokesman for that emerging American phenomenon, the 11-state Megalopolis Northeast. In effect, this projects the present-day problems of the great cities into their single common problems. The key to this is transportation.

Rapid inter-city transportation is his sole idea, and has already resulted in tremendous revitalization of the role of the railroads. Indeed, almost single-handedly, Senator Pell's persistence has resulted in the new Cabinet post of Secretary of Transportation. His new book, "Megalopolis Unbound," is a reassuringly thorough study, as unassuming and as solid as concrete. If it does nothing else, it should elevate the sights of those aiming at solution of the current big city problems in terms of easing local paroxysm.

Additionally, with the temerity of a Magellan, Senator Pell has literally embarked upon the oceans. The senator envisions the seas as vast reservoirs of energies untapped and indeed unimagined, and clearly believes man will tame the oceans and their sea water as man has tamed fire.

Almost compulsively addicted to doing his homework, he has produced another book, "The Challenge of the Seas." Actually, it adds up to a most readable thriller on the new science of oceanography. To augment this, Senator Pell has urged the idea of sea-grant colleges, parallel to President Lincoln's land-grant colleges which are today the present state universities. Obviously, if any nation can convert the sea into farm, mine and chemical colossus, the know-how of American industry is preeminently qualified.

This is quite independent of his position on higher education generally. He conceives of higher education as a government investment, and has introduced a bill providing a government grant of $1,000 a year for two years to every qualified student upon going to college. Again, this alone would revolutionize the budget of millions of American families.

Further, Senator Pell's philosophy of the expanding mind of man is such that when the Institute of Arts and Sciences was brought into being, the President handed him two pens, for it was largely Pell's brainchild.

Tall, young and handsome, he is all but maddeningly deliberate and undramatic—but so was Cordell Hull, his prototype. It is significant that Senator Mike Mansfield, majority leader, unqualifiedly declares that Pell of Rhode Island has one of the most massive first term records in senate history.

Senator Pell is anything but a comet; but assuredly, in the national heavens, there is a slowly rising star of great magnitude.

INTERNATIONAL DAY FOR ELIMINATION OF RACIAL DISCRIMINATION

Mr. MONDALE. Mr. President, more than 7 years ago President John F. Kennedy pledged the best efforts of this Nation to those peoples in the huts and villages of half the globe struggling to break the bonds of mass misery.

One of the most cruel bonds faced by those millions of peoples is that of racial discrimination—whether it be in the reprehensible apartheid policy of South Africa, in the imposition of boycotts by some nations on the basis of race, or in the continuation of racial disabilities here in the United States. It is a scourge visited upon some peoples for reasons entirely outside their own control, and results in hopelessness, frustration, and violence.

It is one of the most grave threats to world peace, and exists as a threat on a worldwide scale. It is properly a matter for the attention of the United Nations. Last year the U.N. General Assembly adopted a resolution establishing today, March 21, as International Day for Elimination of Racial Discrimination.

We must take the occasion on this day to take stock of our efforts to blot out racial prejudice and discrimination from the world. Moreover, while racial persecutions and bigotry have existed throughout the history of mankind, we must never concede that the problem is beyond human solution. It will be most difficult to achieve the goal of racial harmony and equality, because many nations, unlike the United States, do not have guarantees against such discrimination in their basic social fabric of constitution and statutes. In fact, some of the most glaring examples of racial discrimination are based on a State policy committed to that end.

But, in the words of President Johnson, if we as a nation, and I might add the world, take what appears to be the easy way out and abandon the long hard struggle for social and economic justice, there would be little hope of ending the chain of personal tragedies that began with ancient bigotry and continues to this hour.

NATIONAL FOREST TIMBER PRICES

Mr. MORSE. Mr. President, for the past several months I have received many communications from the State of Oregon relating to the subject of the appraised prices of timber on the national forests in Oregon.

On February 28, the Forest Service wrote to me on this subject, supplying a current report. Because of the widespread interest in my State on the issue of national forest appraised timber prices, I ask unanimous consent that the February 28 report be printed in the RECORD.

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

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D.C.

Hon. WAYNE MORSE,
U.S. Senate.

DEAR SENATOR MORSE: We are writing to inform you about some things taking place in the Pacific Northwest Region of the Forest Service that relate to appraising National Forest timber for sale. The Forest Service constantly reviews, reinforces, and adjusts its timber sale appraisal data. The objective is to have appraisals of National Forest timber reflect the most current logging and marketing conditions.

Early in 1964, there were indications that our stumpage appraisals were getting out of line with bidding experience in western Oregon and Washington. We found that prices bid for National Forest stumpage were exceeding appraised prices by margins that exceeded justifiable expectations. A careful analysis of our appraisal premises and data led us to believe that the divergence was due to changes in market techniques that had affected product recoveries and costs. An extensive series of lumber and plywood mill recovery studies had been under way for some time. These were hastened to provide a possible solution to the pricing problem.

We completed the greater part of this series of studies during 1965. They were carefully designed to fully reflect the expected combination of recoveries of both veneer and lumber from logs of typical grades. They clearly disclosed that there had been significant increases in both lumber and plywood recoveries and costs since the time when our existing data had been developed. The results of these up-to-date studies are now being placed in effect.

Although this action is a routine one—a part of the constant effort to update appraisal data—we realize that it will generate comment and inquiry. We thought you would like to know about it and the reasons for it. One significant fact should be kept in mind: The change will tend to raise the estimated recovery value of timber stands that include a typical proportion of Douglas-fir. However, appraised prices during the current quarter are expected to be lower than during the fourth quarter of 1966 due to offsetting changes in market levels and cost estimates used in the standard appraisal method.

Should you have questions on the subject or a need for greater detail, please let us know.

Sincerely yours,

A. W. GREELEY,
Associate Chief.

FUTURE HOMEMAKERS OF AMERICA

Mr. BURDICK. Mr. President, the Future Homemakers of America have a week dedicated to recognition of their achievements, April 2–9, and I wish to invite particular attention to one of these achievements.

Women in 20th-century America play an important part in civic and community affairs, and the Future Homemakers of America, among their many achievements, provide practical training in participation in these affairs.

As an example of what is meant by practical training is the work which the 12 national officers of this organization have done in guiding the planning for the National Future Homemakers of America Week. One of these national officers is Brenda Holes, Hunter, N. Dak., a vice president. Her particular responsibility is the area of public relations.

This national association is made up of hundreds of local chapters along with State organizations which meet regularly and practice self-government by electing officers and planning and executing community and individual improvement programs. This is important training for the roles these young women will carry in their adult life. Tribute should also be paid to the State and local leaders, such as Janice Lindstrom, of Sheyenne, N. Dak., who is State president. She is the leader of 4,864 members in North Dakota.

These organizations which are training grounds for tomorrow's citizens and leaders are great bulwarks of democracy. They are carrying on important work which will be paying its dividends for years to come.

UTAH INTERMOUNTAIN BUSINESS LEADERS SUPPORT RESTORATION OF 7-PERCENT INVESTMENT TAX CREDIT

Mr. MOSS. Mr. President, on March 10, the Salt Lake Tribune published an article which indicates widespread support among business leaders in the intermountain area for the restoration of

the 7-percent investment tax credit. I know from my own mail and personal conversation with these business leaders that support for the restoration is strong and vocal. I ask unanimous consent that the Tribune article be printed in the RECORD.

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

[From the Salt Lake Tribune, Mar. 10, 1967]

Possible restoration of the seven per cent investment credit tax was hailed in the Intermountain Area as being therapeutic for the economy.

President Johnson announced Thursday that he would ask Congress to restore the credit.

Miles P. Romney, manager of the Utah Mining Assn., said it would be an incentive for those planning capital investment and: "We're hopeful that additional funds would be attracted to Utah for mining investment and investment in general."

G. B. Aydelott, president of the Denver & Rio Grande Western Railroad, said the restoration would let the roads continue with long-term planning.

HELD IN ABEYANCE

This has been held in abeyance—not because of the withdrawal of the investment credit—but because it was considered to be "temporary."

Mr. Aydelott said restoration of the credit would divert money that would otherwise go into non-productive areas back into the rebuilding and enhancing of capital investment.

Frank Nelson, counsel and administrator of the Utah Manufacturers Assn., said "This is indication the President feels that there is need for a step-up in industrial production.

"Outcome would be that more money will be spent in capital improvements—the productive sector of our economy. For most people in industry, this will be welcome."

Royden G. Derrick, president of Western Steel Co., commented that investment credit is one of the tools available to avoid extremes in the economic cycle.

AVOID INFLATION

While its withdrawal had psychological value, the reaction was too slowly realized.

"This is one of the tools we could use to avoid inflation. Now, we need to use it to avoid a recession—particularly in the construction industry."

T. D. Hyatt, treasurer of the Eimco Corp., commented.

"As manufacturers of heavy equipment, we are encouraged by the President's announcement. This should release many large projects, which have been temporarily shelved pending such action and hopefully will result in the placing of orders of new machines.

"We also anticipate it will have some affect on reducing the interest rates which have been asked on capital goods," Mr. Hyatt added.

REPORTING OF FOREIGN MEAT IMPORTS

Mr. MUNDT. Mr. President, the South Dakota Legislature in its session just concluded passed a concurrent resolution requesting that estimated foreign meat imports be reported by the Secretary of Agriculture on a monthly basis rather than a quarterly basis, and that restrictions be imposed.

I support the resolution and urge the Secretary of Agriculture to initiate this procedure in the operations of the Department of Agriculture's reporting service. All of us know that agriculture is existing in a most depressed economy. Parity has dropped to 74 percent. Imports of livestock and meat products have continued to rise. In fact, imports in 1966 came to 823,435,000 pounds as compared to 614,204,000 pounds. This is an increase of over 200 million pounds and is reaching the trigger point of 904 million pounds for invoking country by country import quotas.

Monthly reporting of the statistics on imports would warn the exporting nations not to exceed the allowable quota and would offer some protection of the American market to our American producers. I recognize that it is not much protection, since the allowable quota is so high, but in view of the depressed farm price situation it is at least one small step which the Secretary of Agriculture can take to try and assist the farmers in reversing the downward trend of his prices received and his parity.

I ask unanimous consent that the resolution adopted by the South Dakota Legislature be printed in the RECORD.

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

HOUSE CONCURRENT RESOLUTION 11

(Introduced by Mr. Droz)

A concurrent resolution, citing the importance of the livestock industry and the affect of foreign meat imports on the South Dakota economy, requesting that estimated foreign meat imports be reported by the Secretary of Agriculture on a monthly basis rather than a quarterly basis, and that restrictions be imposed

Be it resolved by the House of Representatives of the State of South Dakota, the Senate concurring therein:

Whereas, South Dakota is the most agricultural state in the nation, and

Whereas, the raising of livestock is the acknowledged backbone of the state's agricultural economy, and

Whereas, cattle numbers in South Dakota as of January 1 of this year were 4,238,000 head—the highest in the state's history, and

Whereas, the sale of livestock and livestock products in South Dakota during the past year exceeded $561 million and represented 71 percent of the state's total cash farm receipts, and

Whereas, the inventory of all livestock in South Dakota amounts to over $725 million, thus providing a high degree of tax support for local, county and state governments as well as school districts of South Dakota, and

Whereas, meat imports into the United States are nearing the point where it may be necessary to impose restrictions under provisions of the import legislation of 1964 (P.L. 88–482); and

Whereas, cattlemen of South Dakota can ill afford further imported meats other than provided for under existing law;

Now, therefore, be it resolved, that the South Dakota Forty-second Legislative Assembly requests our congressional delegation of Senators McGovern and Mundt and Representatives Berry and Reifel persuade the Secretary of Agriculture to issue estimates of foreign meat imports under P.L. 88–482 on a monthly basis hereafter, rather than quarterly, in order that allowable quantities will not be exceeded at any time.

Be it further resolved, that the State of South Dakota of the Forty-second Legislative Assembly respectfully urge the Congress of the United States to amend (Public Law 88–482) of 1964 giving more protection to the United States meat industry by lowering import limits and considering all meats purchased by the United States, including those meat purchases by the Department of Defense, as meat imports allowed under the quotas set up under Public Law 88–482.

Be it further resolved, that the State of South Dakota of the Forty-second Legislative Assembly respectfully urge the President of the United States to impose restrictions on foreign meat imports at or before the time that estimated meat imports reach the limits set in the import legislation of 1964.

Be it further resolved, that the Clerk of the House of Representatives of the State of South Dakota transmit copies of this resolution to His Excellency, the President of the United States, the Honorable Lyndon B. Johnson; the Secretary of Agriculture of the United States, the Honorable Orville Freeman; to the Honorable Karl Mundt and the Honorable George McGovern, United States Senators from South Dakota; the Honorable E. Y. Berry and the Honorable Ben Reifel, Representatives in Congress from the State of South Dakota, within ten days after the passage and approval of this resolution.

Adopted in the House of Representatives March 3, 1967.

Concurred in by the Senate March 9, 1967.

JAMES D. JELBERT,
Speaker of the House.
PAUL INMAN,
Chief Clerk.
LEM OVERPECK,
President of the Senate.
NIELS P. JENSEN,
Secretary of the Senate.

TRUTH IN LENDING

Mr. MONDALE. Mr. President, the distinguished Senator from Wisconsin [Mr. PROXMIRE] has been carrying on the fight for truth in lending begun by our able former colleague Senator Paul H. Douglas, of Illinois.

Senator PROXMIRE has written a comprehensive description of the truth-in-lending bill, which was published in the Credit World, the magazine of the International Consumer Credit Association. In the article, Senator PROXMIRE has demonstrated a complete grasp of the technicalities involved in disclosing an annual rate of interest. He argues that, far from harming business, the bill will benefit the vast majority of those in the credit industry.

Mr. President, I am reminded of the remarks by the President of the New York Stock Exchange when Congress passed the Truth in Securities Act of 1933. The president of the exchange solemnly predicted the collapse of the securities market. Today the securities market is stronger than ever, and much of the public confidence in the securities industry is founded upon the Truth in Securities Act requiring full disclosure. I believe the same will be true for truth in lending.

Mr. President, I ask unanimous consent that Senator PROXMIRE's scholarly article be printed in the RECORD.

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

THIS IS THE YEAR FOR TRUTH IN LENDING

(By Hon. WILLIAM PROXMIRE, U.S. Senate, Washington, D.C.)

(When President Johnson sent his Message on Consumer Interests to Congress on February 16, he specifically recommended passage of S. 5, a "Truth-in-Lending" Bill sponsored by Senator Proxmire. The complete text of this bill was published in the last issue. Following is an article, prepared by invitation, in which Senator Proxmire discusses the

merits and mechanics of this bill as it is viewed by proponents.)

I believe the 90th Congress will pass an effective truth in lending bill which will be meaningful to the consumer and workable to the credit industry. Although previous truth in lending bills introduced by my great former colleague, Senator Paul H. Douglas, have been stalled in committee for six years, I believe 1967 will be the year for action. There are a number of reasons why Congressional approval of truth-in-lending is likely.

First of all, the outlook for consumer legislation in general is favorable. The 89th Congress made great strides in passing Auto Safety, Truth-in-Packaging, and Cigarette Labeling legislation. The momentum and support generated on behalf of consumer legislation is likely to reach full steam in 1967. Consumer groups themselves have learned to organize and match the lobbying activities carried on by business and industrial groups. I do not use the term lobbyist in a derogatory sense, for lobbyists provide the Congress with valuable and readily available information on current legislative issues. In this connection, the activity of consumer groups should provide Congress with a better-balanced stream of information on consumer legislation.

Secondly, I believe the Congress will tend to focus more on measures which do not cost a great deal of money or require a vast bureaucratic agency to administer. Much of consumer legislation, including truth-in-lending, falls in this category. The war in Vietnam and the President's record budget for 1968 are not conducive to the initiation of large new domestic spending programs. Moreover, the rapid increase in new Great Society spending programs has caused many in Congress to think in terms of the consolidation and coordination of existing programs before beginning additional new programs. Thus it is quite unlikely that the 90th Congress will anywhere near match the highly productive 88th and 89th Congresses in domestic grant-in-aid legislation. Under these circumstances, issues which cost little and which strike a responsive chord among voters will be given an increasing amount of attention.

Third, I believe the evidence is clear that the public is overwhelmingly in favor of truth-in-lending legislation. Recent polls conducted by eight Congressmen showed public support for truth-in-lending ranged from 88 to 95 percent. It is clear that this is one of the most popular measures before the Congress. In view of the widespread public support and the record of successful consumer legislation in other fields, it will become increasingly difficult for Congress to explain to the American people why it has not acted on truth-in-lending.

Most of the credit for achieving wide public support must go to the courageous leadership of Paul Douglas. He introduced the first bill, he fought long and hard on its behalf and he educated the American public and many of us in Congress on the need to protect the average citizen in the consumer credit field. I believe his valiant efforts will realize fruition in the 90th Congress.

A fourth reason for optimism regarding truth-in-lending results from the modifications which are reflected in the bill I introduced on January 11 with 22 co-sponsors—S. 5. The major change made was to drop the term "simple annual rate" which apparently had caused much semantic confusion. Some critics had charged the term simple annual rate required pinpoint accuracy down to many decimal places. Mathematical experts came up with numerous formulas for computing the "simple annual rate" all of which produced slightly different answers. Naturally, this tended to discredit the word simple. There was nothing simple about the rate when professors of mathematics could not agree as to what it was.

Although the proponents of the bill countered with the argument that the agency administering the law would prescribe one formula for all to follow, critics were still unsatisfied. Perhaps, they feared lengthy litigation over the meaning of the word simple.

What would prevent a customer from challenging a merchant's formula in court, backed up by mathematical experts to prove the merchant was figuring the rate the wrong way?

DETERMINATION OF ANNUAL RATE

The present version of the bill substitutes the term "annual percentage rate" for the term "simple annual rate" used in previous bills. The annual percentage rate is arrived at by multiplying the "percentage rate per period" times the number of periods in a year. The percentage rate per period thus becomes the basic building block from which the annual rate is determined. This annual percentage rate is the rate to be applied to the unpaid balance of the total amount to be financed.

The use of a percentage rate per period to arrive at the annual percentage rate follows the formula of the actuarial method and eliminates the need to describe the percentage rate of finance charge as a "simple," "effective," "true," "compound," or "nominal," rate. Each of these terms has a slightly different meaning to experts in finance. It also eliminates the need to refer to "actual," "add-on," "discount" and other rate expressions. Avoiding the use of the term "simple" or any other descriptive term avoids semantic disputes and possible difficulties in the administration of the law.

Nevertheless, there is no change in concept and the "annual percentage rate" follows the two basic characteristics of the "simple annual rate": 1) use of the year as the common time unit denominator, and 2) expression as a percentage rate per period of the ratio that the finance charge bears to the money actually used during the period.

In the course of the hearings held in earlier years on the truth-in-lending bill, experts of various kinds proposed several formulas either to support disclosure of the "simple annual rate" or to show that such a requirement is "unworkable." The constant ratio, direct ratio, simple-discount, actuarial, simple-loan, residuary, and Merchants' Rule formulas have been considered as methods to disclose an annual rate of finance charge. The basic differences among these formulas are in the assumptions made: 1) regarding the amount to be financed as against the amount to be repaid as the base upon which interest is figured, and 2) regarding the assignment of periodic payments to principal or to interest.

The use of the term "annual percentage rate," based on the periodic rate, will result in the kind of disclosure that the sponsors of the bill have always intended by the term "simple annual rate." The language used in S. 5 will: 1) permit fairly simple calculations by lenders and vendors, 2) allow the administering agency (or financial publishing houses) to issue easy-to-follow rate tables, and 3) enable consumers to check the charges quoted. The administrative agency can establish procedures for handling irregularly scheduled payment plans.

The lender or borrower will easily be able to read out the percentage rate of finance charge from actuarial tables, given the amount of the finance charges in dollars and the number of payments scheduled, running out to any loan duration. And just as easily, the tables can be consulted to read out the amount of the periodic payments, given the percentage rate, the time and the principal.

Even the most complicated payment scheme can be handled. For instance, tables can be worked out for the following type of situation: A buyer of consumer goods wishes to delay payments for 30 days, avoid payments around income tax and vacation time and wishes to enlarge payments when dividends or bonus compensations are expected. In such a chaotic situation a daily rate may be selected, and a schedule of payments developed applying the rate to the outstanding balance for the days between payments. With the assistance of the consumer finance industry, the Board can develop uniform methods to provide for unusual situations and to establish tolerances of accuracy in stating the information required to be disclosed.

It should also be noted that both the term "annual percentage rate," based on a periodic rate, and tables using the actuarial method are consistent with the Instant Rate Converter Wheel put out by CUNA, and with the Household Finance Corporation's "Consumer Credit Cost Calculator." The actuarial method, which the sponsor and finance experts consider to be the best method of calculating annual percentage rates of finance charges, is itself grounded in the so-called "United States Rule." This rule requires that each periodic payment is to be applied first to the interest for the period, with the remainder of the payment applied to reduce the principal outstanding. (See *Story* v. *Livingston*, 38 U.S. 359 (1939).)

REVOLVING CREDIT ACCOUNTS

The bill also provides a simplified way to handle revolving or open-end credit accounts (in which commonly a department store permits a customer to charge purchases up to a specified maximum amount, repaying an agreed upon minimum each billing period—usually a month—with a "service charge" applied periodically to the amount owed). Persons extending such credit would be required to disclose the periodic percentage rate of finance or service charge, the periodic date when a finance charge will be imposed, and the annual percentage rate of the finance charge. The complaints voiced earlier about the unworkability of requiring such disclosure for revolving credit are eliminated by providing that the annual percentage rate for the purpose of this requirement is determined simply by multiplying the periodic rate by the number of periods per year. "Period" is used rather than "month" to give maximum flexibility to businessmen in their determination of the way they construct their revolving credit plans. This manner of determining what is called the "annual percentage rate" in connection with revolving credit avoids the difficulties which would arise in determining an exact rate of finance charge under varying amounts of debt, varying payment schedules, and varying methods of applying the charge to the debt.

This bill also requires the creditor to furnish to the borrower, as of the end of each period: a clear statement in writing of the outstanding balance; any additions to the debt; the total received in payments; the outstanding unpaid balance of the account as of the end of the period; the annual percentage rate used to compute the finance charge for such period; the balance on which the periodic finance charge was computed; and the finance charge, stated in dollars and cents, imposed for the period.

While many stores provide a periodic and itemized statement of some of this information, it is clear from testimony and information received that none disclose an annual percentage rate of finance charge and some fail to make clear what balance the finance charge is applied to and even what periodic rate of finance charge is used.

ONLY THRESHOLD DISCLOSURE IS COVERED

Section 4(c) of the bill is important and should be read in connection with the penalties in section 7. Section 7 provides that no person shall be entitled to recover civil penalties "solely as a result of the erroneous computation" of the annual percentage rate if the percentage disclosed "was in fact greater than the percentage required" by section 4 or the regulations prescribed by the Board.

In a CBS television documentary program

on consumer interest last year, a spokesman for opponents of the bill said the truth-in-lending bill was unworkable because of the impossibility of stating an accurate annual percentage rate when the borrower repays earlier than scheduled or misses payments, etc. But this is a wholly inapplicable criticism, because previous bills and this bill specifically provide that the disclosure of an annual rate applies to the agreed upon terms of the contract, not to violations or irregular payments not anticipated by the contract.

FEDERAL RESERVE BOARD REGULATIONS

Section 5(a) provides that the Federal Reserve Board, as the administering agency, shall prescribe the rules and regulations necessary to carry out the Act. Since it is now possible to rapidly develop and reproduce tables to cover any given set of credit terms, it is expected that the Board will publish or authorize the financial publishing houses to publish official tables which would be used by lenders to conform with the Act. The Board would prescribe reasonable tolerance of accuracy with respect to disclosing information. Despite charges made against the bill, *it clearly is intended to require only a fair and approximate statement of the annual rate. It does not require the statement of an annual rate exact to several decimal places.*

The Board also is to establish rules to insure that the information disclosed under the Act is prominently disclosed so that it will not be overlooked.

NEED FOR TRUTH IN LENDING

The objective of the truth-in-lending bill is quite simple—to provide consumers with a full disclosure of finance charges both in terms of dollars and cents and as an annual percentage rate. The annual rate provision will provide consumers with a simple yardstick to measure the worth of alternative credit plans.

The purpose behind truth-in-lending is not to control rates or establish interest ceilings. I do not question the validity of an annual rate of 18 percent on department store revolving charge accounts. Nor do I automatically assume that 36 percent a year on a small, unsecured personal loan is too high. I recognize there are substantial fixed costs in initiating and processing a loan or credit transaction and that the need to recover these fixed costs will push the rate for financing well above the mythical 6 percent per year for small loans or credit purchases.

I also make no charges that the overall size of consumer credit is too high. Certainly, the growth in consumer debt, and particularly instalment debt, has been phenomenal. Since 1945, total consumer credit has increased from $5.7 billion to $92.5 billion. This rate of increase has been over 4½ times greater than the rate at which GNP has increased. In recent years, however, consumer credit has grown at approximately double the rate of growth in GNP.

I do not cite these figures in criticism or to imply that we should retard the growth of consumer credit. Much of our postwar prosperity has been made possible through the efforts of the consumer credit industry. Many families have been able to enjoy the fruits of our productive economy in their early years through the judicious use of instalment credit.

My point is that the sheer size of today's consumer credit, together with its past record of rapid growth, requires greater consumer awareness of its cost. By any standards, consumer credit is big business. American families pay over $12 billion a year in interest on consumer debt and another $13 billion on mortgage debt. Interest payments are now a sizable portion of the family budget. In fact, nearly one-third of the cost of living increases in 1966 were occasioned by higher interest payments, largely brought about by the Federal Reserve Board's tight money policy for preventing inflation. In this case, a tight money policy added to rather than prevented inflation. Clearly, the size of interest payments in the typical family budget tends to defeat the objectives of traditional monetary policy.

Despite the size of the credit industry, there is little effective competition between its various segments, primarily because the cost of credit is not fully disclosed to the consumer. Thus, one of the objectives of the truth-in-lending bill is to promote greater competition within the entire credit industry. The requirement to disclose charges, not only in dollars, but in terms of an annual rate, will permit consumers to make intelligent comparisons. This does not mean that consumers will always automatically choose the lowest cost credit. Many people might conclude that the convenience represented by an 18 per cent revolving charge account outweighs any savings which could be obtained through a 12 per cent credit union loan. But at least the consumer would have a common base from which to evaluate alternative credit sources. He would have the facts he needs to make an intelligent judgment.

Finally, I want to make it clear that I believe the vast majority of businessmen in the credit industry are doing a commendable job in providing valuable services to the public. In being for truth-in-lending, I do not mean to imply that lenders have been deliberately untruthful or that there is a conspiracy among lenders to fool the public. I do say, however, that many of the current practices in disclosing credit information are confusing to the average person. Rates may be quoted as an add-on, or a discount, or as a monthly rate on the declining balance. Almost no one, however, quotes a true annual rate on the periodic unpaid balance which is the most familiar rate to consumers since it is analogous to the rate charged on home mortgages or paid in savings accounts. To a large extent, these different methods of rate disclosure have historical origins arising out of the organization of the various segments of the consumer credit industry. The need to avoid unrealistically low state usuary rate ceilings was also a factor leading to the proliferation of many different rate disclosure methods.

The consequence of all this has made it difficult for the average person to understand credit or to be able to compare the cost of credit from different lenders. There is no single yardstick with which to measure all credit plans. In such an environment, it is no wonder that many consumers have simply thrown up their hands and have looked instead at the size of the monthly payments as a criterion.

At a time when the consumer credit industry was small and struggling to get started, and at a time when public opinion was mostly hostile to any stated rate over 6 per cent, it could be argued that a requirement for disclosing the true annual rate would have prevented the growth of the industry and would have left the field to the loan sharks who charged 200 to 300 per cent and higher. But now that the industry has grown to the size it has and now that most of the earlier difficulties with state usury laws have been overcome, I believe a reform on rate disclosure methods is warranted. I see no reason why the public can't be told the true annual rate it is being charged for credit. Today the public is more sophisticated about credit and can benefit from the truth.

IMPACT OF TRUTH-IN-LENDING

If the Congress should pass a truth-in-lending bill, I believe not only the consumer, but the vast majority of businessmen in the credit industry will benefit. As a former chairman of the Senate Small Business Subcommittee, I believe I have an understanding and appreciation of the problems faced by the average businessman. I would not want to pass legislation which would be an onerous burden to business while conferring only marginal benefits to the public. The truth-in-lending bill does not fit this label. The benefits to the public are great, but most businessmen will benefit too.

Although the great majority of businessmen are fair and honest in their dealings with the public, there are a few shady operators who manage to gain an unfair competitive advantage through outright deceptive credit practices. With the passage of the uniform rate disclosure method contained in the bill, the honest businessman can state the true annual rate on the credit he provides, secure from the fear that an unethical competitor will lure his customers away through misleading rate statements. By requiring everyone to use the same method of rate disclosure, the bill will protect the ethical businessman from unfair competition.

I realize that there are many people in the retail business who fear that rate disclosure might harm sales. The assumption seems to be that if people really knew how much they paid for credit, they wouldn't buy. I would hate to think the prosperity of our economy is founded upon deception. I believe consumers have a right to know the facts and that the long run prosperity of our free enterprise system is founded upon this right. I also do not anticipate any adverse impact upon sales as a result of this legislation. No reduction in sales has been reported in Massachusetts following the recent enactment of a similar annual rate requirement on installment and revolving credit. Instead, I believe we might see a more judicious use of credit. Savings accounts may be used to a greater extent. People probably will be more willing to pay cash on extremely small transactions when they realize the true cost of credit. Many stores lose money on these small transactions, despite high rates, hence the bill should work to their benefit as well as to the public's.

It can also be argued that uniform rate disclosure will take the mystery and confusion out of consumer credit transactions. As a result, many more people will feel confident in using credit and this will increase sales rather than decreasing them.

A third benefit to business from truth-in-lending is that a full disclosure bill could very well head off more restrictive legislation regulating interest rates. There are some in Congress who feel the time is ripe for national legislation setting interest ceilings on instalment and small loan credit.

I personally do not subscribe to such a policy. Government should first try to remove obstacles to permit the market system to work before intervening directly. A free market is the best system for controlling consumer credit charges, but a market cannot be free without a free flow of information. When consumers do not have all the facts in a comparable form, information is not free. Thus, the essential motivation behind truth-in-lending is a faith in free enterprise rather than a distrust of it. Those of us who favor truth-in-lending prefer market regulation to governmental regulation.

Finally, it has been alleged that the bill would impose excessive costs upon business. According to this view, stores would have to hire extra help to perform the required computations. All the evidence I have seen simply does not sustain this contention. Simple, computer-developed rate charts can be used by the average clerk for almost any transaction. Methods can be developed to easily handle such irregular transactions as balloon payments, skip payments, or deferred payments.

I believe it is possible to develop simple and fair procedures for all transactions which will meet the main policy objective of providing the public with a yardstick to measure the cost of credit, while minimizing the cost to business for highly irregular transactions. There is no reason why the credit industry,

the Federal Reserve Board, and the Congress, working together in good faith, cannot evolve a system which is fair to both the public and to business.

I, therefore, look to the responsible lenders in the credit industry and ask for their assistance in developing a fair system of rate disclosure which is responsive to the public interest.

"DEMOCRACY: WHAT IT MEANS TO ME"—PRIZE-WINNING SPEECH BY DONN WARHUS

Mr. NELSON. Mr. President, each year in Waukesha, Wis., a Voice of Democracy contest is held. It encourages our young people to rethink the value of democracy during our time and in the future.

Many of the contests are held throughout Wisconsin, and many fine speeches are written and given as the result. This year I was impressed by the results of the efforts by Donn Warhus, a senior at Catholic Memorial High School, in Waukesha. This young man placed first among 220 senior students. He was awarded a U.S. savings bond and will compete on the national level very soon.

I congratulate Donn; Sister Mary Therese, who organized the contest in the school; and Mr. Donald McUade, the post commander in Waukesha who sponsored the districtwide contest.

I believe that "Democracy: What It Means to Me," deserves reading by Senators. I ask unanimous consent that the speech be printed in the RECORD.

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

DEMOCRACY: WHAT IT MEANS TO ME

(By Donn Warhus)

I didn't want to write this speech. The farthest thing from my mind is the meaning of Democracy. However, I and all my fellow students are being compelled by our superiors to write a speech on this most difficult to describe institution, Democracy. Therefore, I shall express all my humble opinions in this one work of propaganda.

The very fact that I *must* write this speech is proof of not living in a so-called "pure" democracy. I think that's all right. If we lived in a totally democratic Utopia in which we all did exactly what we felt like doing, we would destroy ourselves in a mad race to perfect ourselves at others' expense.

Personally, I think that being forced to write this speech is not so great a sacrifice for not being destroyed. I would rather be imperfectly living than perfectly destroyed. If this is the case, our present form of democracy demands sacrifice, and possibly suffering.

People say "Democracy is Freedom! Freedom to do what I want, as long as I don't get caught." Doesn't sound like they're suffering.

Webster says, "Democracy—government by the people; a form of government in which the supreme power is vested in the people and exercised by them or their elected agents; also, a state having such a form of government", etc. and so forth. Even this definition says nothing about sacrifice. See? There's a catch to everything!

Smart, that is *intelligent* people, (there is a difference!) would still agree with Webster's definition in preference to that of certain greedy men.

But, who are "the people"? If they run the whole show, like Webster says, they must be mighty important. Ha! Not so!

The people are us. I am people. You are people—I hope. The "proletarian masses" Marx called us. Persons are people.

"How come," you might ask, "if I'm a people I don't run the show?" Do you vote? If you do, you run the show. Have you ever been drafted or served in our armed forces? If you have, you've done even better than running the show, you've helped to save it.

Even by writing this speech, I'm running the show. I'm offering ideas and thinking thoughts and voicing opinions about this great and glorious show—Democracy.

Writing this is a start for me, I hope, because I can't vote or fight yet. But—give me a little time. Just wait until I and all my fellow young Americans charge into earth's problems. Then you'll see A–1 Democracy. You won't have to wait long, because we're on our way now.

ECONOMIC OPPORTUNITY GRANT AWARDS TO OREGON COLLEGES

Mr. MORSE. Mr. President, I was much pleased to learn that, for the 1967–68 academic year, the Office of Education has allocated $1,496,300 to 27 Oregon colleges and universities for the purpose of financing, through the economic opportunity grants of title IV of the Morse-Green Higher Education Act of 1965, to further higher education of some 3,459 students. The grants, which range from $200 to $800 per student, and may if the student is in the upper half of his class reach a total of $1,000, are 50–50 matching grants to these students. The matching funds may come from the institutions' own resources or from the title II National Defense Education Act student loan program.

I am particularly pleased because through this mechanism a great number of young people who are the average students may receive the economic help they need to further their preparation for their contribution to the economy of our State and the Nation. I ask unanimous consent to have printed in the RECORD a tabulation of the colleges, the amounts awarded to each college or university, and the estimated number of students attending each institution who will benefit.

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

Institutions of higher education	Total amount awarded	Estimated number of students benefiting
Blue Mountain Community College, Pendleton	$13,000	45
Cascade College, Portland	25,150	44
Clackamas Community College, Milwaukie	2,000	10
Clatsop Community College, Astoria	19,400	45
Columbia Christian College, Portland	9,000	16
Concordia College, Portland	5,800	11
Eastern Oregon College, La Grande	54,600	110
George Fox College, Newberg	15,200	27
Lane Community College, Eugene	47,550	141
Lewis and Clark College, Portland	54,950	89
Linfield College, McMinnville	29,500	70
Marylhurst College, Marylhurst	21,450	46
Mount Angel College, Mount Angel	33,800	51
Mount Hood Community College, Gresham	3,700	14
Museum Art School, Portland	5,750	23
Oregon College of Education, Monmouth	80,450	233
Oregon State University, Corvallis	$317,250	736
Oregon Technical Institute, Klamath Falls	30,000	86
Pacific University, Forest Grove	68,400	127
Portland State College, Portland	95,300	228
Reed College, Portland	58,250	92
Southern Oregon College, Ashland	110,350	324
Southwestern Oregon Community College, Coos Bay	6,980	23
University of Oregon, Eugene	275,550	638
University of Portland, Portland	46,550	112
Warner Pacific College, Portland	3,600	7
Williamette University, Salem	62,850	111

GIVING CREDIT WHERE CREDIT IS DUE: DALLAS MORNING NEWS SUPPORTS A RENT SUBSIDY PROGRAM THAT INDUCED PARTICIPANTS TO INCREASE THEIR INCOMES BY 24 PERCENT

Mr. YARBOROUGH. Mr. President, every once in a while one is reminded that the contending parties in the great debates over government policy are frequently in basic agreement on goals; and that even though they might fight over means, if those means succeed, one-time opponents can be made into supporters.

A case in point is an editorial published in the Sunday, March 12, 1967, Dallas Morning News. The Dallas Morning News is not normally a newspaper to give editorial support to a Federal rent subsidy. Yet in this remarkable editorial, the News voices its support for a Washington, D.C., program in which private housing was leased by the Government for an average of $139.65 a month and then rented to low-income families at regular public housing rates, in effect a rent subsidy of the type which has been so controversial for the past 2 years.

What happened in this case was that the average income of the families increased by 24 percent over a 2-year period. The better housing apparently gave family breadwinners greater incentives.

The Dallas Morning News acknowledged this success by saying that—

> When, as in the case of the Washington housing program, a government agency meets the challenge effectively and economically, its accomplishment should be recognized. If, by this subsidized shot-in-the-arm, these recipients of better housing become more independent, get off the relief rolls and support themselves, the experiment will be worthwhile.

I heartily applaud the Dallas News' statement that—

> Our challenge is to equip (the small minority who are poor) with the tools to raise themselves to whatever status they aspire.

The fact that the Dallas Morning News is willing to make such a statement should serve as a warning to those who sometimes forget that a government program is not a cureall, that the goal is not to get more government programs, but is to solve problems. If that way happens to be through a govern-

ment program, the program itself is not the goal. The goal is to solve the problem. To do that we need programs that work. If one succeeds in developing a program that works, he can sometimes win the support of his former opponents. We must not forget that in addition to passing worthwhile programs, Congress must see to it that the programs are carried out in a high quality manner, so that the job gets done.

I commend the Dallas Morning News on its stand in this matter, and ask unanimous consent that the editorial entitled "Credit Due" be printed in the RECORD.

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

[From the Dallas Morning News, Mar. 12, 1967]

CREDIT DUE

A federally financed experiment in low-income housing has produced an unexpected dividend: A big jump in the incomes of poor tenants.

Purpose of the project was to see whether part of the large backlog of families waiting in Washington, D.C., for public housing vacancies could be accommodated in empty private housing scattered throughout the city. The experiment concentrated on families needing four or more bedrooms—the hardest to place in public housing.

Fifty residences were leased for an average of $139.65 a month and, in turn, rented to the low-income families at regular public housing rates, which are based on family income. After two years in the homes, average income of the families had increased by 24 per cent.

A spokesman for the Department of Housing and Urban Development attributed the increase to the better housing, which he said gave family breadwinners new incentives.

The trend of federal welfarism in the United States has been discussed often on this page. But when a Washington program helps the poor to help themselves, there is less room for criticism.

Fact is, we are faced with a growing chasm between the majority of affluent Americans and a small minority of the poor. Our challenge is to equip these few with the tools to raise themselves to whatever status they aspire.

When, as in the case of the Washington housing program, a government agency meets the challenge effectively and economically, its accomplishment should be recognized.

If, by this subsidized shot-in-the-arm, these recipients of better housing become more independent, get off the relief rolls and support themselves, the experiment will be worthwhile. Objection to most of these programs is that they encourage permanent dependence on government.

MRS. ESTHER PETERSON, SPECIAL ASSISTANT ON CONSUMER AFFAIRS

Mr. HART. Mr. President, perhaps the greatest tribute that could be paid to the successful career of Mrs. Esther Peterson as the President's Special Assistant on Consumer Affairs was paid by the President himself when he delivered his consumer message to Congress.

For never before has a President, a Congress, a consumer-oriented Nation ever been so concerned about what is happening at the marketplace, in the advertising world, and at the manufacturer's place of business.

Having worked closely with Mrs. Peterson, I know that this message reflects her endless days of research and her ability to communicate with our President, our businessmen, and our housewives.

To say how I feel about Esther's resignation would be comparable to someone who has recently lost a knowledgeable law partner in the middle of a stimulating—and hotly contested—court trial.

For we were partners.

Partners in the area of consumer protection.

Partners in the area of consumer truth.

And I might say that the "young practice" was flourishing. We had won the truth-in-packaging case—and with the leadership and help of others who shared the same concern; we were working for truth in lending, auto safety, qualified medical laboratories, a broader inspection of meats, and a barrage of other things too long neglected by Government, too important to pass by.

But there is an important point I should like to bring out about Mrs. Peterson's job. The advisory part is only a small fraction.

Anyone can look around a household or a store and find sundry products to complain about or a host of things that could be improved. But, as doctors know, it is not the diagnosis that is difficult; it is the cure.

Mrs. Peterson spent long, hard days—talking with people, all over the country, consulting with experts, listening to the problems of businessmen—in an incomparable effort to find a cure for many of the deceptive, dangerous ills that plague the consumer marketplace.

And she was successful.

As she leaves her post, she leaves behind supporting evidence and advice to help the Nation beat the fire problem that takes countless lives; the land swindle racket that expends the savings of our senior citizens; the deception in advertising that harasses fairminded businessmen and consumers.

To her successor, Betty Furness, who is no stranger to the American household, I wish much success in carrying on this vital work.

To Mrs. Peterson, I say again there is no greater tribute to your career than the consumer legislation that is now before the Congress and which, hopefully, will soon be passed by the Senate.

Mr. President, the Democratic Central Committee of the District of Columbia, by unanimous vote, recently paid an eloquent tribute to Mrs. Peterson. I ask unanimous consent that it be printed in the RECORD.

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

ON ESTHER PETERSON AND CONSUMER CONCERNS

The Democratic Central Committee for the District of Columbia wishes to pay tribute to one of its most distinguished constituents, Mrs. Esther Peterson, who has just completed slightly over three years of service as Special Assistant to the President for Consumer Affairs and as Chairman of the President's Committee on Consumer Interests.

In these years there has been a tremendous growth in the number of products placed on the market:—in their technical nature, their safety requirements, their need for specialized care, and in the variations in size and quality between similar items. There has also been a steady rise in prices, accompanied by increased concern for the poor and increasing discontent by purchasers.

In this period of growing unrest against retailers and manufacturers, Mrs. Peterson has been the official contact between consumers and government and, ex officio, the liaison between buyers and producers. She has been able to identify with the consumers and communicate with the producers. She has brought respectability in business and government to concern for consumers. She has assisted both industries and advertizers in making voluntary improvements for the benefit of vendor and vendee.

Esther Peterson reflected, created and guided a great wave of consumer concern. In her extensive travels and thousands of conferences and consultations, she developed new standards in the rocky field of merchandising. Through all the vicissitudes of pioneering, she labored diligently with hope, integrity and loyalty to the general welfare. We salute her. (Adopted unanimously on March 6, 1967)

TIME FOR STOCKTAKING IN VIETNAM

Mr. McGEE. Mr. President, it is with great satisfaction, I know, that the Senate has learned that the service of Henry Cabot Lodge to the U.S. Government will be continued after his departure from Saigon as American Ambassador to South Vietnam. Still, his departure from Vietnam represents a very good time for stocktaking, as Joseph Alsop has done in this morning's Washington Post. He makes the point that a long step has been taken down the road to eventual success in Vietnam.

Mr. President, I ask unanimous consent that Mr. Alsop's column entitled "After Cabot Lodge" be printed in the RECORD.

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

AFTER CABOT LODGE

(By Joseph Alsop)

SAIGON.—Henry Cabot Lodge goes home after performing a last great public service. The choice of Ellsworth Bunker to succeed Lodge will bring to Saigon a man with the ideal combination of subtle intelligence, human warmth and anti-pro consular way of doing business. It is a good moment to take stock.

There are still plenty of items to put down on the minus side of the balance sheet. The secret of instant "pacification" has by no means been found as yet, to begin with. To be sure, the existing effort has caused acute apprehension among the Vietcong. This shows up clearly in the captured documents, and even more clearly in the growing number of Vietcong sneak-attacks on rural development teams.

But in too many recent cases, the teams' calls for help in warding off these night attacks have evoked no adequate response until the dawn. Some teams have been overun—always a most serious local setback. By the same token, a great deal of sorting out clearly will have to be done before the South Vietnamese army plays its new role in rural pacification in a fully satisfactory manner.

There are other troublesome developments, such as the introduction of a six-mile range which the Vietcong can handle far more easily than the comparable 120 millimeter mortar. This rocket has already been put to damaging use against the Dasang Air Base, and it is only too likely to turn up elsewhere. Yet the main point to note is that by now,

the minus items on the balance sheet weigh pretty lightly against the steadily accumulating list of items on the plus-side. Some of the indications of erosion and contraction of the Vietcong have been noted in two previous reports. But there are others that deserve notice, too. In some American quarters here in Saigon, for instance it is the current fashion to pooh pooh the "Chieu Hoi" program, which encourages defections from the VC. It is admittedly rare to find any higher Vietcong cadres among the Chieu Hoi defectors. Yet the captured documents reveal that this program is now deeply feared by the Vietcong high command.

One can see the reasons by glancing at the Chieu Hoi figures. During 1966 the program achieved an average defection—rate of 400 men a week, with the largest numbers concentrated towards the end of the year, when the rate reached nearly 600 a week.

This level was approximately maintained from December through February. But in the last three weeks, the rate has risen so greatly and so abruptly that the facilities of the defectors' reception camps are being sharply over-strained. In one week, 1108 came in. The next week the total was 1168. And last week, it was 1198—or just double the year-end rate.

This is a real hemorrhage of fugitives from the Vietcong press gangs, lower cadres, part-time guerrillas and other people who compose the Vietcong base in the countryside. If the hemorrhage continues without change (and it is far more likely to increase again rather than diminish) this year's defections should reach a total of more than 60,000. Within the overall pattern, too, there are certain details that are specially significant.

In brief, Binhdinh and Phuyen are the two provinces where Gen. William C. Westmoreland has come closest to attaining his strategic aim, which is to deprive the local Vietcong infrastructure of support from the big units of the VC main forces. And these two provinces alone accounted for 34 per cent of the national total of defections in December, for 28 per cent in January, and for close to 20 per cent in February.

For the three months, defections in the two provinces reached a total of 2244. Thus the theory behind Gen. Westmoreland's effort seems to have proved out quite strikingly, where it has been put to its first partial test.

The increasing hopefulness of these and many other indicators by no means promises early victory, and more than the items on the minus side of the balance sheet mean that the American effort here is failing.

It can not be too often repeated that this is a war of attrition. In such a war, one can only judge whether severe attrition is being successfully imposed on the other side—as is certainly the case. One cannot judge exactly when the other side will finally succumb to attrition's cumulative effects.

But it is at least clear that a very long stage down the road to eventual success has been covered during Cabot Lodge's term of service.

TRUTH IN ADVERTISING

Mr. BARTLETT. Mr. President, it is easy for emotion to obscure reason. It is easier to do nothing than become involved in the inevitable uncertainties of defining a position and pursuing a course of action. It is easier to oppose than propose. It is easier to give in to emotional arguments against than it is to argue such arguments with reason.

Following the easy path, however, has not been a characteristic of this body, as was demonstrated in the recent debate and vote on the United States-Soviet Union Consular Convention.

Mr. President, I think that this body acted with great wisdom when it voted last week to give its consent to ratification of the Consular Convention.

However, there were some aspects of the public campaign waged against this treaty which disturbed me greatly and which I want to discuss today.

Let there be no misunderstanding. I would not suggest that the voice of opposition be suppressed. On the contrary, I would be among the first to fight any attempt at suppression. If I did not believe that there were more forthright and tasteful ways in which opposition could be expressed, I would even favor the opprobrious expression of dissent rather than have dissent not expressed at all. For beneath even the scurrilous, slanderous comment there sometimes is an expression of honest conviction, misguided though it may be. It is because I am convinced, however, that disagreement can be expressed in a manner which is respectful of the opinions of others, which does not attempt to assassinate the character of others, and which is honest and forthright that I take this occasion to express my grave concern about the manner in which public opposition to the Consular Convention was expressed.

On February 14, 1967, a paid advertisement in the form of a cartoon strip entitled "The Communists Next Door" was published in an Alaska newspaper. Similar ads appeared in other newspapers throughout the country. Several things in that ad disturbed me greatly.

First, it abounded with half-truths. Just enough of the truth was stated to avoid a charge of falsifying the facts, but enough was left unsaid to create a totally false impression of the Consular Convention.

Second, in quite subtle ways, it attacked the character of officials in the State Department and, indeed, insulted the intelligence and integrity of this body. At one point, for example, a mustached State Department official, looking very much the dandy, appears in a Senator's office peremptorily demanding that the Senator vote for the treaty. A bewildered Senator, portrayed as knowing nothing about this treaty, even though it had been under consideration for over 2 years, seeks the advice of his legislative aid. At the end, the cartoon Senator vacillates between alternatives which the ad implies are mutually exclusive—either blindly accepting the word of the State Department and voting for the treaty or accepting the misleading arguments presented in the cartoon and voting against it.

Third, at no point in the ad is its author or the person who paid for it clearly identified. Rather, it is sufficiently ambiguous as to suggest either that Senator GRUENING and I had purchased it or that we had requested the purchaser to elicit comments on our behalf from our constituency. In the last panel, the bewildered Senator, obviously unable to choose between the alternatives presented, gazes out on a Capitol backdrop and wonders "what the folks back home want me to do."

Mr. President, we cherish the long tradition of free speech which exists in this country. To preserve that freedom, we have been willing to tolerate considerable abuse of it. Thus, in the interest of maintaining that freedom, I am willing to tolerate the half-truths, misleading statements and sophistical arguments of "The Communists Next Door." I am willing also to tolerate the blatantly abusive and false attacks upon the intelligence, integrity, and patriotism of public officials. Against such attacks as these our most potent weapon is the truth. We can only hope that it will prevail.

I am unwilling, however, to accept the premise that the public should not know the authors and the sponsors of ads dealing with such subjects, whether or not they deal in half-truths, patent falsehoods, and sophistical arguments.

I am not playing a game in semantics, Mr. President, when I state that "The Communists Next Door" lends itself to the interpretation that I was one of the people responsible for its publication. Letters from my constituents clearly indicate that some of them understood the ad this way. People wrote saying that they had seen my request in the newspaper that they write to express their opinions of the Consular Convention. I am delighted that they wrote, but I resent the ad leading them to believe that I had anything to do with publishing it or might subscribe to the extraordinary conglomeration of misinformation which it contained.

Because I took the time to find out, I learned the ad was prepared by an organization known as the Liberty Lobby. I still do not know who paid for its insertion in the newspaper. There was nothing in the ad which indicated who was the author or who placed it in the paper.

Let us leave aside the fact that I believe the cartoon presented distorted arguments against the convention. What bothers me most is that neither the author nor the sponsor was identified and the implication, intended or not, that I sponsored the ad.

In election campaigns, many States, if not all, require that some sort of identification appear on political ads. In regular commercial advertising the name of the product or the name of the store identifies the source of the ad. In either case, the reader knows who is pushing what.

In the case of this cartoon, I suspect few of its readers know who was pushing opposition to the convention. The ad did a real disservice to the cause of informing the public, because it led some persons to believe that I placed the ad or supported what it said.

It would seem to be a wise policy for newspapers interested in informing the public to demand that sponsors of such ads be made to identify themselves as the sponsors of election campaign ads must.

Disturbed as I am by the sophistry of "The Communists Next Door," I am equally disturbed by the letters which come to my office and to the offices of other Senators who indicated their support of the Consular Convention. Many of those letters impugned my patriotism and insulted my intelligence. Over the last several years, I have detected an increasing tendency in this country of per-

sons to malign people who hold views contrary to theirs. Whether it be the Consular Convention or the Vietnam war, foreign aid or the poverty program, public welfare or price supports, there is room for considerable divergence of opinion. Diversity of opinion is consistent with the principle of free speech which our Constitution guarantees and which we have always encouraged. Freedom of speech is one of our Nation's great strengths. That we should now reach the point that we question the loyalty of the fellow who happens to disagree with our views on a public issue is frightening, for implicit in this is the attempt to intimidate and to suppress dissent. When dissent is dead, I fear that this Nation also will be.

VALUE OF ST. LAWRENCE SEAWAY TO UPPER MIDWEST

Mr. MONDALE. Mr. President, 2 weeks ago Dr. Sherwood O. Berg, one of the finest agricultural economists in the Nation, spoke on the value of the St. Lawrence Seaway to the agricultural economy of the Upper Midwest. His remarks were addressed to the 21st Annual Farm Forum of the Ninth Federal Reserve District in Minneapolis, and should be brought to the attention of the Senate, knowing that since his remarks the United States and Canada have agreed on a 4-year moratorium on toll increases for the St. Lawrence Seaway.

Mr. President, I ask unanimous consent that the pertinent portion of his remarks be printed in the RECORD.

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

THE UPPER MIDWEST AND THE SEAWAY

One of the most promising developments for Upper Midwest agriculture is the continually expanding use of the St. Lawrence Seaway. The opening of the Seaway in 1959 represented a major development in improved facilities for shipping Upper Midwest agricultural commodities to the major markets of Europe and other parts of the world (especially Japan).

Since the opening of the Seaway, the volume of grain shipped from the area—notably wheat, soybeans, and corn—has increased rapidly. In 1960–61, about 140 million bushels of grain moved through Great Lakes ports. In the short span of four years the volume had increased to 250 million bushels, an increase of about 80 percent.

The Great Lakes ports are accounting for a growing share of the nation's grain and soybean exports. In 1960–61, 12 percent of the grain and soybeans exported from all ports in the United States originated at Great Lakes ports. In 1964–65 their share had increased to 16 percent. As further improvements are made to lake port and lock facilities, the volume of grain exports should continue to rise.

For the first year since the Seaway opened in 1959, traffic in 1966 exceeded original projections. American and Canadian Seaway agencies are proposing a rather substantial increase in seaway tolls to offset a deficit the seaway experienced during its first seven years of operation. I think that a rise in tolls at this point in the Seaway's history would be a serious mistake. At this point of time in the development of the Seaway, such an increase would discourage maximum use of the Seaway by shippers—and we have been working hard, and rather successfully, in recent years to alter some well-established patterns in routes of trade. A toll increase just when Seaway business is gaining momentum is unwise.

PRESIDENT'S POVERTY MESSAGE AS IT RELATES TO MIGRANT FARMWORKERS

Mr. WILLIAMS of New Jersey. Mr. President, as chairman of the Migratory Labor Subcommittee of the Labor and Public Welfare Committee, I was heartened by the provisions of the President's message on America's unfinished business: urban and rural poverty concerning migrant farmworkers submitted to the Congress last week.

During the same week, the Migratory Labor Subcommittee filed with the Senate its report entitled "The Migratory Farm Labor Problem in the United States," in which various problems of the migrant laborer were discussed and a series of recommendations were made.

The report pointed out, for instance, that 30 percent of all migrant children have less than 8 years of education and 40 percent have less than 11 years. The report, therefore, recommended that funds be made available to provide for adequate financial assistance to the States for the education of children of migrant agricultural workers. The President in his message faced this problem and recommended such education services for 170,000 migrant children.

The subcommittee report pointed out that in many instances there were legal restrictions against providing services to nonresidents in most local jurisdictions, therefore, denying the migrant and his dependents from most of the health and welfare services offered to other citizens. It was, therefore, encouraging to learn that the President recommended amendments to the public assistance law to authorize pilot projects to provide temporary public assistance and other welfare services for migratory workers and their families, who are now barred by residence requirements from receiving these services. He also recommended a provision to provide health services for about 280,000 migratory workers and their families.

One of the most critical needs of the agricultural worker and his family, the subcommittee report pointed out, is the dire need for decent housing and sanitation. The President's message contained a provision calling for an expanded self-help housing program for the construction of 2,000 housing units. This, of course, is merely a start in correcting the deficiencies in this area.

The report pointed out the dilemma of the farmworker facing unemployment with no reserve in the form of unemployment compensation which the industrial worker has long taken for granted. It was, therefore, very encouraging to learn that the President recommended amendment of the unemployment insurance laws to provide for benefits for workers employed on large commercial farms.

The subcommittee report pointed out that the migratory worker, because of his low rate of compensation and short periods of employment usually does not meet the requirements to be eligible for social security benefits. The President in his message recognized this problem in recommending the extension of social security benefits to 500,000 farmworkers by reducing from $150 to $50 the amount which must be earned from a single employer each year.

While these proposals recognize the problems of the migrant worker and, to some degree, will alleviate his and his family's plight, they are by no means the last word in bringing the living standards of these forgotten people up to a level the rest of the country enjoys.

I sincerely hope that the Senate will act quickly on these recommendations, and I can assure Senators that the Migratory Labor Subcommittee will continue to explore other means of solving this pressing problem.

COORDINATION OF FEDERAL GRANT-IN-AID PROGRAMS

Mr. HATFIELD. Mr. President, on behalf of my colleague from Oregon [Mr. MORSE], and myself, I ask unanimous consent to have printed in the RECORD enrolled House Joint Memorial 4 adopted by the 54th Legislative Assembly of the State of Oregon.

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

HOUSE JOINT MEMORIAL 4

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

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

Whereas the combined burden of federal, state and local taxation is of such magnitude that state and local governments find it increasingly difficult to impose additional taxes upon their citizens; and

Whereas federal grants-in-aid to state and local governments are an accepted part of cooperative federalism in this nation and have proven to be an effective means by which the superior revenue-raising position of the Federal Government may be used to meet the financial needs of state and local governments in carrying out programs of broad national interest; and

Whereas there is a corollary need to maintain strong, independent and responsible state and local government, capable of responding to needs and conditions that vary throughout the nation; and

Whereas the need for increased federal assistance to state and local governments and the need for strengthening state and local governments are in conflict as a result of the growing tendency of federal grant-in-aid programs to: (1) Prescribe in great and rigid detail the specific activities to be carried out; (2) dictate the organizational form and structure to be used by state and local governments to carry out such activities; and (3) bypass state government or encourage or require the establishment of single-purpose or quasi-public jurisdictions; and

Whereas the use of state and local moneys to match federal moneys available for specific program activities tends to reduce the state-local moneys available for other programs that may be of greater local priority; and

Whereas the practice of requiring states to increase their existing level of service in a specific program activity in order to gain federal matching moneys tends to penalize those states which have been most progressive and have already established high levels of service: Now, therefore, be it

Resolved by the Legislative Assembly of the State of Oregon:

(1) The Congress of the United States is memorialized to:

(a) Provide that the numerous existing and future federal grant-in-aid programs be combined or effectively coordinated so that such grants to state and local government support solutions to broad problem situations rather than require performance of specific projects; and

(b) Provide that federal grants-in-aid to state and local government, while including minimum controls to insure adequate standards of performance and program accomplishments, are made in such manner that maximum flexibility within broad functional areas be given to responsible state and local officials.

(2) A copy of this memorial shall be transmitted to each member of the Oregon Congressional Delegation, each member of the Senate Appropriations Committee and each member of the House Appropriations Committee.

INTERNATIONAL DeMOLAY WEEK

Mr. FULBRIGHT. Mr. President, the week of March 12–19 was observed as International DeMolay Week.

The Order of DeMolay is one of the world's largest self-supported young men's fraternal organizations, and I know the Senators would wish to join me in extending congratulations to the millions of DeMolays in more than 12 countries. I am confident that many more years of service and fellowship lie ahead for them.

I ask unanimous consent that an editorial on this subject, published in the Arkansas Democrat of March 14, be printed in the RECORD.

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

DeMOLAY WEEK

This is International DeMolay Week, and special activities will be observed in various parts of the state. This organization, open to young men 14 to 21, seeks to be a guide and source of inspiration to youth.

The requirements for membership are simple and direct—believe in God and be of good character and reputation.

Its standards, which are the guide and rule of every DeMolay, are similarly concise: Serve God; honor womanhood; love and honor parents; be honest; be loyal to ideals and friends; practice honest toil; make one's word one's bond; be a patriot in peace as well as war; keep a clean mind and body.

There is nothing equivocal about these goals to which every young man of the organization must pledge himself. The rituals of the DeMolay center on these things. Their emphasis forms a social context in which these virtues can be practiced with group approval and encouragement.

The juvenile delinquency problem in this country exists not because our youth has degenerated in its essential characteristics, but because sufficient reinforcement has not been supplied to foster and enhance good instincts and moral purpose.

No one denies the need to enliven and quicken the intelligent and effective responses of our youth to the perils and challenges of tomorrow's America.

DeMolay deserves high credit for its part in this important task.

THEY ALSO SERVE WHO STAY AT HOME AND WAIT

Mr. SYMINGTON. Mr. President, every week the Department of Defense releases the latest number of those killed in combat in Vietnam and the total to date—as of March 16, 1967, it was 6,659. Each American killed represents more than a statistic. Each is an individual whose loss means everything to his family and loved ones.

Some families, such as the Higgerson family of East Prairie, Mo., give an extraordinary amount in service to their country. This family has had five sons serve in the Armed Forces, the youngest of whom died in combat in Vietnam the first of this month.

An editorial published in the East Prairie newspaper pays fitting tribute to this family. I ask unanimous consent that it be printed at this point in the RECORD.

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

THEY ALSO SERVE, WHO STAY AT HOME AND WAIT

The death of Tommy Higgerson in the Vietnam Conflict makes all of us in the East Prairie area stop . . . think . . . and bow our head in sorrow for the bereavement of this family and offer a silent prayer for the gallant mother who has given this, her youngest son, in this war.

To Mrs. Higgerson, seeing her sons go off to the armed forces is nothing new . . . five times she has said goodbye to each of her five sons; first the oldest son, John Edward Higgerson who served in World War II, in the South Pacific and who later went on to make the army a career. John was honorably discharged from the U.S. Air Force in February of 1966 after 21 years service.

In 1954 Weldon Arthur Higgerson entered the army, taking his basic training at Ft. Chaffee, Ark., and completing the remainder of his service time at Ft. Benning, Georgia.

Robert Kindell Higgerson served with the 82nd Airborne Division, training at Ft. Bragg, North Carolina and going overseas to serve in Berlin with the Army of Occupation for 24 months. Robert came home to the family farm at Sugar Tree Ridge in New Madrid County in 1960 after a 3 year hitch.

In 1964 Amos Franklin Higgerson went into the army, serving with the 173rd Airborne Division; 3 months on Okinawa and 12 months in Vietnam. He came home in June of 1966.

While Frankie was still in the army, the youngest son of the family, Tommy Doyle Higgerson was inducted . . . and served with the 101st Airborne Division.

Franklin Higgerson left Vietnam, arriving in the States on May 24, 1966 and Tommy Higgerson left the States for Vietnam one month later, in June of 1966.

Mrs. Higgerson dreamed of the day Tommy would come home to stay with her on the family farm at Sugar Tree Ridge, in New Madrid County where all the family was born and reared. Tommy came home today . . . to stay . . . having died in combat in Vietnam on March 1, 1967 . . . A dream was shattered.

Mr. and Mrs. Arthur Higgerson had five sons and six daughters . . . Each of the five sons served their country as did their father in World War I. Mr. Higgerson, until his death in July of 1966, remained active in the VFW and his face was a familiar sight at all their gatherings . . . Mr. Higgerson with his pipe and his friendly good disposition always added to any group he was with, with his friendly outgoing wit.

It is America's loss there are not more families like the Higgersons . . . for these are the back bone of America . . . plain, honest, hard working, God-fearing people . . . the kind that have fought and won our country's wars.

Mrs. Higgerson and her sons and daughters have the sympathy of the entire communities of New Madrid and Mississippi Counties.

THE HUMAN RIGHTS CONVENTIONS

Mr. DODD. Mr. President, the Ad Hoc Subcommittee on Human Rights Conventions of the Committee on Foreign Relations recently held 2 days of hearings on three human rights conventions approved by the U.N. General Assembly. The three conventions in question are the Convention on Political Rights of Woman, the Convention on the Abolition of Forced Labor, and the Supplementary Convention on Slavery. We hope to present a report of our findings to the Foreign Relations Committee in the very near future.

These three conventions touch on subjects long dealt with by our own Constitution and laws. Therefore, it is difficult for us in this country to realize that those rights which we feel are basic to human dignity and freedom are not treated as such in other parts of the world.

The Washington Post of March 19, 1967, published an article entitled "Two Million Are Still Slaves and Nobody Seems To Care."

The continued enslavement of human beings is a problem of international concern. One demonstrative step we in this country can take to show the world our revulsion at such practices is to ratify the Supplemental Convention on Slavery. It is my hope that this may be accomplished in this session of the 90th Congress.

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

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

TWO MILLION ARE STILL SLAVES AND NOBODY SEEMS TO CARE

(By Donald Trelford)

LONDON.—Aouicha Mouissa, 7, was kidnaped outside her school at Tindouf, Algeria, at 11 a.m. Oct. 1, 1963. She was later sold as a slave to a rich landowner in Mauritania.

Fakhri, 16, is in a brothel in Bandar Abbas in the Persian Gulf. Her parents were peasants in a village in Baluchistan, Iran. They could not leave their land without repaying a feudal "debt" to the landowner and sold Fakhri to a passing trader to raise the money.

These girls are just two of more than two million slaves in the modern world, an estimate that is not seriously disputed by the United Nations Commission on Human Rights, which has been meeting in Geneva.

Aouicha's case came to light because her French schoolmaster was expelled by Algerian authorities for attempting to intervene on her behalf. Later, Algeria and Mauritania were forced to admit officially that slave traffic had crossed their borders; each blamed the other. Aouicha has not been seen since.

Fakhri's story is known because she was found by a correspondent for the German magazine Der Stern. There is no official agency that collects such information. The U.S. State Department has admitted that the only reliable source of facts on the world's slave traffic is a voluntary body, the Anti-Slavery Society, which operates from a third-floor office in Victoria, London.

The Society's secretary, Col. Patrick Montgomery, is in Geneva attempting to persuade the Human Rights Commission to create some kind of machinery to implement the convention on slavery, which has been on the U.N.'s statute books since 1956.

The society, founded in 1823, has learned to be patient. Its latest report concludes bluntly: "There is no likelihood of slavery being eliminated in the foreseeable future."

Yet the U.N. General Assembly agreed unanimously in December, 1962, that all countries should be urged to ratify the convention.

Only 65, including Britain, have done so. Most of the newly independent Afro-Asian countries are opposed. President Kennedy sent the convention to the Senate for approval in 1963; a subcommittee's report is expected soon.

Russia, the United States and—until the present ambassador, Lord Caradon, went to the United Nations—Britain have traditionally balanced the claims of humanity against the political risk of offending their oil partners in the Middle East. "At last," says Col. Montgomery, "we feel that the British Foreign Office is on our side."

In 1964, after eight years of lobbying, the United Nations appointed its own special rapporteur, Mohamed Awad of Egypt, to examine world slavery. He sent a questionnaire to all members; 40 failed to reply at all. Some, including France, were flippant. Awad concluded that many had something to hide. He estimated from his limited information that there were at least 1¼ million slaves in the world.

Awad made his report last July in a ten-day debate on slavery that was virtually ignored by the press. His simple recommendation—that a committee of experts be formed to help countries seeking advice on how to eliminate vestigial slavery—was first rejected because translations had not been provided in Spanish, French and Russian. It was again rejected later on grounds of cost—less than $60,000 a year. Finally, it was referred to the Commission on Human Rights after the Tanzanian delegate declared that apartheid was the only manifestation of slavery in the modern world.

FEAR MISUNDERSTANDING

The opposition of the Afro-Asian countries seems to have its roots in a fear of white Christian paternalism. They suspect that Europeans fail to understand the economic and religious complexities of a slave society just as the early missionaries failed to understand tribalism, mistaking poverty and ignorance for moral evil. They point—perhaps with more relevance than they know—to the 10,000 people who go missing in the major cities of Europe every year.

The Society accepts that in some parts of the world, notably the Arabian Peninsula, slaves are a protected—not to say privileged—community, envied by their starving kinsmen. Yet the system has to be condemned, says the Society, because it is easy to abuse and rests in the end on exploitation of the hungry and the inarticulate.

Four kinds of modern slavery are isolated by the Society as capable of reform: serfdom, debt bondage, pseudo-adoption of children and forced child marriages.

There are 2000 slaves in the Tamanrasset area of southwestern Algeria, used for forced labor and allowed to retain only one-third of their wages. The remainder goes to their employers. In the remote Rei Bouba district of Cameroon, near the border with Chad, a Norwegian missionary, the Rev. Halfdan Endresen, watched slaves working all the daylight hours without food and with only 15 minutes rest.

The Cameroon government is prevented from interfering in the affairs of Rei Bouba because of an international treaty signed by the French in 1916 giving the traditional ruler, the Lamido, complete freedom in his domestic affairs in recognition for his service in the war against the Germans. The agreement has been taken over by his son and the central government takes no action because it needs the Lamido's support at elections.

SEVENTY CENTS TO $1,700

In Lebanon, an Englishwoman was offered a young girl for $28. The price of a male slave among the animist tribes of the Sierra Leone interior is said to be about $1700. In the Grant Road area of Bombay, girls are sold for 70 cents, according to a social anthropologist.

A south Arabian sultan brought a slave to his suite at the Dorchester Hotel in London last year. In Mauritania, there is an official estimate of more than 20,000 slaves. There are police reports of children dying in brothels in Singapore. At least one princely household in Malaysia sends an agent to Singapore once a year to purchase a new concubine.

Slave trading was abolished in Saudi Arabia in 1935 but nothing happened until King Faisal banned the owning of slaves in 1962, this time offering compensation. More than $3 million has been paid. There is a brisk slave trade in ships off the coast of Muscat and Oman.

In Colombia, primitive Indians are tempted across the border from Brazil and put to work in chains. Thousands of Indians live in serfdom in the high Andes of Peru though land reform is turning them into wage-earners (about $40 a year). Film exists of tribal Indians under the whip in northeastern Brazil though the Brazilian government has worked hard against this exploitation.

A Roman Catholic organization has cited evidence of young girls sold into domestic drudgery and prostitution throughout Latin America. The report noted: "This practice was particularly bad in Mexico, where the highest prices were obtained from brothels near the Texas border."

There was evidence of chattel slavery in the Philippines as late as 1960. And a report received by the Society last year said Christian girls from the north were being sold to Moslem families in the southern Moro provinces.

In 1966, an English writer reported on a visit to the brothel area of Ankara, the Turkish capital. He said it was typical of towns throughout Anatolia, where every village has its brothel. The inmates appeared to have neither freedom nor rights and to be completely abject.

"The brothel area was surrounded by a high wall pierced by a doorway less than three feet wide guarded by uniformed men, police or soldiers, who also patrolled the interior, which was brilliantly lit until 3 a.m. to facilitate the maintenance of public order. The area contained 40 houses, each holding 10 or 12 girls." The writer was appalled by the size of the crowd of waiting clients, which numbered, he said, in the thousands.

The Anti-Slavery Society is undramatic. It is suspicious of unsupported evidence and rather afraid of publicity. It avoids emotional terms and grades its findings according to credibility. Nearly all the examples cited have been checked and the informants questioned by the Society.

One thing it has not been able to check is the emergence of new slave trade routes in Africa, though it is gathering information. The old routes, traced as recently as 1930, went from Kano in northern Nigeria to Lake Chad and north through the Sahara to Sudan. From there, the camel caravans moved east to the Red Sea or north to the Libyan ports.

There is recent evidence of slave routes ending in Benghazi, where merchants are said to stockpile slaves as investments. Some Libyan traders finance their annual trip to Mecca by taking slaves along and selling them as "return tickets."

Col. Montgomery aims to organize U.N. action against trading in slaves as a first step toward total elimination. But to do even that requires the existence of some world body that cares and is ready to take note of the scattered reports that come from teachers, missionaries, doctors, journalists and engineers in the forgotten fringes of the world.

These are the only Western witnesses, and for fear of their jobs or their visas, they don't tell very much. Self-protectively, it seems, the world is reluctant to look too closely into its darkest corners.

ADDRESS BY VICE PRESIDENT AT SCIENCE TALENT SEARCH AWARDS BANQUET

Mr. MAGNUSON. Mr. President, earlier this month Vice President HUMPHREY spoke before the Science Talent Search Awards Banquet in Washington, D.C., and made some interesting remarks, not only concerning the facts of world hunger, but some of the future answers to the problem which might be obtained from the fuller development of the oceans.

Vice President HUMPHREY noted that in looking into the future, he could see the "farming of the ocean for fish—large-scale harnessing of the tides, as a source of energy."

With the recent approval by the Food and Drug Administration of fish protein concentrate, it is my hope that we may very soon begin the harvest of the seas in a meaningful way that will aid the present world hunger. The development of the latent resources of the oceans by this country is vital in our world food programs, and the announcements made recently by Secretary of the Interior Udall, moving ahead under legislation introduced and passed by the last Congress by Senator BARTLETT and myself to establish developmental pilot plant operations for fish protein concentrate is the first step in this ocean development.

I ask unanimous consent that the Vice President's speech be printed in the RECORD.

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

REMARKS OF VICE PRESIDENT HUBERT H. HUMPHREY, SCIENCE TALENT SEARCH AWARDS BANQUET, WASHINGTON, D.C., MARCH 6, 1967

Mr. Chairman, let me begin by saying that since you have broken protocol so eloquently, I have no intention of reporting the infraction to the President, or even to the Chief of Protocol.

I would also like to comment about that matter that concerns you.

First of all, you are one scientist I know who, if you decided to go into politics, would definitely not need a soapbox.

Secondly, from what I've been able to learn about the transuranium elements, I think we can all be thankful that I'm in politics and you're in science.

That is not meant to be a reflection on your political ability, Mr. Chairman. I'm only thinking that if I had been doing your work at Berkeley those 20-odd years ago, the table of the elements might still be stuck at 92!

Fellow students, I have been scanning the summaries of the projects which brought you here. They range from studying how the shells of fiddler crabs harden to the aging process in a binary star.

There is one basic element common to all these projects. They represent *individual* thought and initiative, resulting in *individual* achievement.

The word "individualism" itself was invented by one of our earliest and most perceptive foreign observers, Alexis de Tocqueville, to describe the spirit he found already prevalent here over a century ago.

I know that there are many young people

who fear that, in this age of big government, big business, big labor—and big universities, too—we are in danger of being reduced to numbers and converted into fodder for computers.

On one college campus, in fact, I recently saw students with placards saying: "I am a human being—do not fold, staple, or mutilate!"

I know that you, of all people, are determined not to be standardized or homogenized.

For you have learned from your own early experience a basic-truth.

Governments don't have ideas, Companies don't have ideas, Laboratories don't have ideas. And—contrary to a popular myth—computers don't have ideas.

People have ideas.

And not people in the mass, but individual human beings.

I know that many of your ideas have undoubtedly at first puzzled, irritated, or even antagonized many of your fellow-citizens.

Don't let that worry you.

As Ibsen said: "The most dangerous enemy to truth and freedom amongst us is the compact majority."

You have also learned that ideas don't come out of thin air, even when they may seem to. As Louis Pasteur rightly said: "Chance favors only the prepared mind."

That preparation is, for scientists, a long and demanding discipline, as you well know. And "preparation," in its broadest sense, today generally includes elaborate and costly apparatus in great laboratories.

But all this machinery is barren and fruitless without the kind of mind that can put it to use—the mind that can venture forth out of the safe harbor of the known into the "oceans of truth"—to use Isaac Newton's phrase—that lie all about us, unexplored and even unknown.

We need minds of that caliber and quality more than ever today.

It seems only yesterday that young people were complaining that the world was closing in upon them—that no new lands remained to be discovered.

But, within this generation, this very world we thought we knew so thoroughly has opened out in every direction—inward into the atom, downward to the bottom of the sea, upward beyond the sky and into space.

Dr. Seaborg has been one of our outstanding leaders in the task of harnessing the power locked up in the atom, and directing it to the construction of a better world, rather than the destruction of the one we already have.

For my part, I have had the privilege of close involvement with our efforts to explore the reaches of space and the depths of the oceans.

Since becoming Vice President, I have served as chairman of the National Aeronautics and Space Council. Last year I also became chairman of the National Council on Marine Resources and Engineering and Development.

We have just presented to the President our first annual report on progress in oceanic science and technology.

It records achievements like these—many quite simple, but nevertheless far-reaching.

The development of a fish protein concentrate, odorless and tasteless.

It is estimated that half the world's peoples—the half who live in the developing countries—suffer from diets deficient in protein. Half of the children die before five; many more incur lifelong physical or mental impairment. It is estimated that the addition of an appropriate quantity of this concentrate to their present diet could assure them normal physical and mental development, at a cost of less than a cent a day.

The investigation of underwater mineral resources such as the "pavements" of manganese off the coast of Florida, and the possible deposits of gold, silver, platinum and tin off the Pacific and Atlantic Coasts.

Greater knowledge of the ways in which energy is transferred from the ocean to the atmosphere—offering us promise of better understanding of the ways in which hurricanes are born, and more accurate predictions of their course.

The development of new equipment and methods to enable man to live and work for extended periods at the bottom of the sea.

In addition, work on the development of economical means for de-salting water continues. These systems are already at work on a limited scale. In time to come, desalted water may serve to make many of the present arid areas of the world productive.

Looking further into the future, I can see the "farming" of the ocean for fish . . . large-scale harnessing of the tides as a source of energy . . . the commercial mining of the ocean floor . . . and even the control and possible prevention of hurricanes and other destructive ocean-born storms.

You all know of our spectacular accomplishments in space—and those of the Soviet Union as well. But, as Chairman of the National Space Council, I can see even greater accomplishments ahead.

The establishment of permanent bases upon the moon, and the exploration of its surface.

The development of a whole family of earth-orbiting stations, manned and supplied by regular ferry services.

The building of spaceports where space ships will arrive and depart as regularly as airplanes at airports.

The launching of unmanned probes to every part of the solar system and possibly manned expeditions as well.

But, great as the past and future accomplishments of the space program may be, I think one of the most significant is that it has enabled man for the first time literally to view this world of ours as one.

We have come to see the earth as a kind of Noah's ark hurtling through space—what we might call, in my friend Barbara Ward's good phrase, "Space Ship Earth." And if we didn't know it before, we know it now. We are all in it together.

We are all dependent upon the earth's great but ultimately limited resources to support life. And if we abuse these resources of land, air, and water, we cannot turn to another earth and start over again—at least in the foreseeable future.

For most of history, man's impact on his environment has been limited and local, just as man's capabilities were limited. But, as his scientific and technological accomplishments have escalated, so has his effect upon his living space.

It is no longer, as the Poet Housman wrote, "A world (we) never made." More and more it is a world which, for good or ill, we are largely making ourselves. For instance:

Until recently, smog was regarded as an affliction peculiar to Los Angeles—a subject for gag writers. Now, if we are laughing at all, it is through our tears. For smog now afflicts most of our cities and the airsheds over whole regions of our country.

Until very recently, the population of earth was held in balance with its food resources. But now, with lower death rates and higher birth rates, we are in the midst of the famous "population explosion."

And the experts warn us that, if present trends continue, we will reach a point within this generation when there will simply not be enough food for the family of man and half the world—the half in the developing countries—will face mass starvation.

The development of nuclear technology has, for the first time in human history, placed in man's hands the virtual power to destroy all civilization, and indeed all of mankind in one great Dr. Strangelove finale.

All these three dangers—that we may choke to death, starve to death, or annihilate ourselves—are the unintended "side effects" of rapidly accelerating scientific and technological progress.

Does this mean we should slow down or cut back on scientific and technological advances?

Of course not.

We cannot lock up scientific truths already revealed. Nor can we even hope to deter or discourage man's natural desire to learn more about himself and the world, and put his knowledge to use.

No, the solution is not to stop thinking.

It is to think even harder and more comprehensively. It is to think of the *consequences* of the things we do, as well as the things themselves.

Indeed, here we can use to good effect the advanced techniques of systems analysis which have been developed in our aerospace industries. They are designed to analyze thoroughly *all* elements of a given problem and to determine which solution will yield the best *overall* results.

This means treating man the earth on which he lives as a single enclosed system—just as the astronaut and his capsule are a single interacting system.

If we can put a man on the moon, we can surely design a bus that doesn't belch nauseous and poisonous fumes in our faces.

If we can act with the necessary urgency and cooperation, we can surely help the developing countries to devise means of producing much more of their own food, rather than becoming increasingly dependent upon the food resources of the advanced countries—resources which definitely are not unlimited.

If we can devise weapons capable of mass annihilation, surely we can devise international institutions capable of enabling nations, large and small, to live together in their natural diversity and to work togethe for their mutual benefit.

As scientists, I advise you to ignore any and all advice to move with the herd . . . to leap to the orders of bureaucrats or politicians.

You are precisely the people who must be aware of both the implications and the consequences of what you do . . . who must be *individuals*.

Use your critical faculties. Look to the world around you.

For knowledge . . . technology . . . science—as stimulating as they are in themselves—are truly neutral in themselves.

The people of my generation have seen material progress unprecedented in earth's history for its rapidity.

The people of my generation have also seen how the very tools of progress—misdirected—have also harmed and destroyed man and his environment.

It is the opportunity of your generation to insure that the world may never be subjected to the ultimate harm and destruction which lies within man's capacity.

I have faith in your generation. I have seen you in the classroom and in the laboratory. I have seen you marching down dusty roads against injustice. I have seen you helping children in ghetto streets.

"O brave new world," wrote Shakespeare, "that has such people in it."

This is indeed a new world—as new as the world into which the great Elizabethan sea captains ventured on their voyages of discovery. I know that you will do your best to make it free and bright.

PROFITABLE PECULIARITIES OF INTERNAL REVENUE CODE

Mr. METCALF. Mr. President, Charles A. Robinson, Jr., staff counsel and engineer of the National Rural Electric Cooperative Association, discussed profit-

able peculiarities of the Internal Revenue Code at the annual meeting of the Colorado River Basin Consumers Power, Inc., in Phoenix, Ariz., March 16. A reading of his speech provides a better understanding of utility taxation. I ask unanimous consent that it be printed in the RECORD.

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

FEDERAL INCOME TAXES—WHO PAYS WHAT

(By Charles A. Robinson)

It is indeed a privilege and an honor to have the opportunity of participating in the Annual Meeting of this organization. For those of us who are headquartered in Washington, it is all too infrequent that we enjoy the opportunity of exchanging ideas and opinions with the directors, managers and employees of the local publicly-owned and cooperative electric systems which, in effect, comprise the grass roots constituency which we attempt to represent.

Many of the rural electric system representatives present here are my old friends. The representatives of the local publicly-owned systems have as well been my close allies in several battles to preserve for the consuming public a fair measure of the benefits which have flowed from multiple-purpose development of this area's rich heritage of natural resources.

Because consumer-owned electric systems are so frequently cited as enjoying implied unique advantages under Federal income tax statutes, I feel it is high time that the widely disseminated mythology and falsifications which impute to this situation something un-American are dispelled.

The successful revoluntionists who formed our republic in 1788, wisely provided in the First Amendment to the Constitution of the United States that:

"Congress shall make no law . . . . abridging . . . . the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

In few other areas of the law have the American people so assiduously exercised this right to petition their government for redress of grievances, both real and imaginary, as has been the case with respect to Federal taxation of major business enterprise. The result is a pattern of Federal income tax statutes which, in varying magnitude, affords lucrative special treatment of differing magnitude to a great variety of corporate business enterprise.

Before proceeding further, let me emphasize as strongly as I may that I criticize no person, no business, and no institution for seeking legislation designed to encourage its lawful objectives. Nor do I criticize Congress for enacting such legislation.

What I do say is that after all sides have been heard on tax legislation, after all debate has ended and after the President's signature is on the line, the question of what should or might have been done by Congress but for one reason or another wasn't, is moot. There is, after the fact, not much justification and little advantage to be gained by one industry segment, itself a major beneficiary of tax law, attacking another on the ground that the latter has been equally persuasive with Congress.

Presumably, in attempting to equitably allocate the national tax burden, the Congress tries to take into consideration the special circumstances and conditions under which each industry group operates. That no two industry groups are treated identically is clearly evident from an analysis of the categories into which the Congress has classified business for purposes of Federal income taxation.

For instance, there are some 1,078 REA-financed, consumer-owned electric systems in the United States. Although they serve only 8 percent of all electric consumers, they have constructed over 50 percent of all of the country's electric transmission and distribution lines. They serve territories with 3.5 consumers per mile of line. During 1965, they collectively realized margins of $116-million on net investment of $4.5-billion. In terms of an investor-owned corporation, that is a 2.58 percent rate of return.

Congress has exempted these systems from Federal income taxation because they operate on a non-profit basis and because they are organized to fulfill the necessary public purpose of delivering adequate, reliable, central station electricity to rural areas which, in many cases, would otherwise be unserved.

Let us assume, however, that the law were changed and that the operating margins of rural electrics were subject to Federal taxation at the full rate of 48 percent. Their total operation would then yield $56-million per year to the Federal treasury.

Now, let's look at some other industry groups; the crude petroleum and natural gas industry, for instance. In 1963, it owned total assets of $7.7-billion and enjoyed total receipts of $5.9-billion. In that year, this industry paid total Federal income taxes of $428.4-million. If it were not for the fact that the crude petroleum and natural gas group was collectively granted special tax treatment in the form of a resource depletion allowance, its tax would have been increased by $350-million—more than six times the total revenue that could have been realized from full income taxation of rural electric systems. Actually, the depletion allowance allowed crude petroleum and natural gas in that year was $708.6-million or some 1.6 times the industry's total income tax liability of $428.4-million.

Let's look next at petroleum refining and related industries. With total assets of $51.1-billion, that industry enjoyed receipts of $45-billion in 1963, and paid a tax of $978.4-million. Its depletion allowance, alone, exclusive of all other business deductions was $1.98-billion, which means that had special treatment not been afforded to petroleum and related industries, the Federal treasury would have been enriched by an additional $1-billion in that year alone; about 18 times the theoretical possible tax liability of all REA-financed electric systems.

The oil and gas industry depletion allowance is designed as compensation for loss of productive property. It is frequently challenged, however on the ground that the industry is also allowed a deduction from taxable income for all expenses incurred in locating new petroleum reserves which are discovered faster than the old ones are depleted.

A quick look at the applicable provisions of the Internal Revenue Code reveals a parallel result for what are classified as "holding and other investment companies," popularly referred to as mutual funds. Appropriately organized and registered under the *Investment Company Act of 1940*, and operating in compliance with certain tax code requirements, (Subchapter M) these companies pay no Federal income tax whatever on long-term capital gain and are permitted a 100 percent deduction on all dividends paid to subscribers. They, therefore, effectively pay no Federal income tax. The 1966 holdings of such corporations totaled $45-billion. Their interest and dividend income in 1966 was $875-million and their net realized capital gain was $1.96-billion, making their total income in that year $2.83-billion. At a corporate income tax rate of 48 percent, these corporations would have paid into the treasury, were they taxable, some $1.36-billion in that year—about 24 times the theoretical tax liability of rural electric systems.

There is also a large category of what are called "Subchapter S" corporations. These are the small domestic companies, with not more than 10 shareholders and with only one class of stock. If the corporation so elects, it is totally exempt from all Federal corporate income tax provided that all of its undistributed net income is at the end of the year included in the gross income of the shareholders as individuals.

The "Subchapter S" corporation is much like a rural electric system. Its net profit or margin is taxable in the hands of the recipient in the same fashion as the capital credit of the rural electric when actually paid to the owner-consumer is taxable to him.

Preliminary 1963 figures show 139,112 "Subchapter S" corporations filed information returns showing total receipts of $35.1-billion and net income of $800-million. Assuming a 48 percent corporate tax rate, these corporations, were it not for the special treatment which they receive from Internal Revenue, would have been liable for $380-million of income tax; about 7 times the theoretical tax liability of rural electric systems.

What about insurance carriers? In 1963, 4,697 returns were filed by insurance carriers with the Internal Revenue Service. They showed assets of $180.7-billion. They exhibited total receipts of $47.9-billion.

In addition to all normal deductions afforded other business, the insurance carriers showed in their returns "other deductions" totalling of $19.9-billion. This exceedingly large item of "other deductions" represents special tax advantages afforded to life insurance carriers under which they are taxable on only a portion of their investment income and initially on only ½ of the amount by which their total gain from operations exceeds the taxable portion of their investment income.

Were it not for this special tax advantage afforded to insurance carriers, they would have in the year 1963 alone, assuming a 48 percent corporate tax rate, paid into the treasury an additional amount of approximately $8-billion. That is more than all of the REA loans ever approved and more than the cumulative total likely to be approved for many years to come.

Finally, let us quickly examine the tax status of the investor-owned electric companies. Under the 3 percent investment tax credit available to them, pursuant to the Internal Revenue Act of 1962, they have generated and used total tax credits of $336-million. If the present suspension on investment tax credits is lifted, this benefit will continue at a level of at least $100-million per year. This is a direct loss to the treasury; one which will under any theory never be repaid.

Between 1954 and 1965, a period of thirteen years, the companies distributed to their stockholders $974-million worth of tax-free dividends equivalent to approximately $75-million per year. In 1965, $120-million of these tax-free dividends were distributed. Assuming that an individual income tax rate of 20 percent applies to the average individual receiving such dividends, they constitute a present loss to the treasury of $24-million per year.

In addition, taxes deferred or withheld by the electric companies, under the liberalized depreciation and accelerated amortization provisions of Sections 167 and 168 of the Internal Revenue Code, have thus far deprived the treasury of some $1.78-billion. This figure is increasing at a rate of approximately $100-million per year.

Thus, the companies and their stockholders have been afforded $3.1-billion of special Federal income tax concessions which are currently costing the treasury $224-million per year, assuming the investment tax credit suspension is lifted.

These are some of the profitable peculiarities of the Internal Revenue Code which have won their way into Federal law. They have been adopted, presumably, for the purpose of fostering the ostensibly beneficial objectives of the corporations which they favor. Few people except those with special axes to

grind consume the time or expend the money to discover or publicize the real facts of special tax benefits.

The anomaly of the entire situation lies in the fact that the consumer-owned electric systems, which enjoy rather insignificant Federal income tax benefits, when compared with other major industry and business groups, are so heavily criticized and villified. To quote Mr. Robert T. Person, President of the Public Service Company of Colorado, the tax benefits afforded to rural electric systems constitute "evils which jeopardize the very bed rock of our American economy." I assume that the much larger benefits which this segment of the industry has been granted are conclusively and exclusively devoted to infinitely more wholesome and socially acceptable objectives.

In summary, assuming that all business corporations were treated identically, "Subchapter S" corporations (small businesses) would pay at least an additional $380-million a year into the Federal treasury. Regulated investment companies would pay at least $1.36-billion a year more. Crude petroleum and natural gas industries would pay an additional $350-million per year. Petroleum refining and related industries would pay a billion dollars more per year; investor-owned electric companies and their stockholders $224-million per year more. Insurance carriers would pay approximately $8-billion per year more. REA-financed electric systems would pay $56-million per year.

It is, therefore, quite clearly evident that, in the controversy between the investor-owned and consumer-owned segments of the electric industry, those who so loudly criticize REA-financed and local publicly owned systems for their failure to suitably enrich the Federal treasury, with the supposedly vast proceeds of their potential tax liability, are more interested in destroying the reputation and public acceptance of the consumer-owned electric systems than in actually improving Federal finances. If they were indeed predominantly interested in the latter, they would, rather than suggest tax liability for consumer-owned electric systems, offer a real bonanza to the Internal Revenue Service by suggesting that some of the more lucrative sources of special tax treatment be tapped.

The difficulty is that most of the people who complain about the tax advantage of consumer-owned electric systems are permeated by a particular political philosophy, dedicated to remaining unconfused by factual information or serenely ignorant of the United States Internal Revenue Code.

SOURCES

Statistics of Income 1963 (Preliminary) Corporation Income Tax Returns

(1) U.S. Treasury Department—Internal Revenue Service Publication Number 159 (4–66).

(2) Senate Report No. 291 86th Congress 1st Session.

(3) Title 26 U.S.C.A. (*Internal Revenue Code*).

(4) *Statistics of Electric Utilities in the United States 1965 Privately Owned* FPC S–178.

(5) *Rural Electrification Borrowers—1965 Annual Statistical Report*—U.S.D.A. REA Bulletin 1–1.

(6) *CIC Newsletter* October 25, 1966—Consumers Information Committee.

LOCAL INITIATIVE IN SPENCER, N.Y.

Mr. KENNEDY of New York. Mr. President, in recent years the concept of self-help has become the basis for most aid programs generated in this country—whether governmental or private. A model of such self-help is described in the current issue of Grange, the official publication of the National Grange.

For 20 years the Grange, in cooperation with the Sears Foundation, has been cosponsoring annual community progress programs and contests in which rural communities compete with self-help projects for a $10,000 first prize. The article in Grange traces the action taken by the residents of Spencer, N.Y., to redevelop their village—action that won them first prize in 1965.

The story shows what 800 determined residents can do—under the leadership of such local organizations as the Grange and the chamber of commerce—in renewing the vitality of their area. Their programs were climaxed with the conversion of a marsh pond into a magnificent lake which now constitutes the heart of the village. The community wants to continue the work it has begun so that they may develop a recreational complex which will serve not only Spencer but a number of other villages and towns in its county and surrounding ones.

For this job, the village will have to count on Federal and State support and work has already begun to provide technical assistance to the village through a resource conservation and development program underway in the area under the auspices of the Soil Conservation Service, Department of Agriculture.

Mr. President, the efforts of these outstanding citizens, who I am proud to say reside in my State, demonstrate what can be achieved when local initiative is mobilized on a dynamic and productive basis. Their story merits attention by the entire country, and 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:

LOCAL INITIATIVE WON $10,000 1ST PRIZE FOR SPENCER, N.Y. GRANGE IN 1965

In mid-1964, Spencer Village and Town presented an enormous potential for improvement and precious little else in the way of opportunity. Vast tracts of idle farm land contributed nothing to the economy. The beginning of an automobile graveyard appeared at one edge of the swamp, and large rats infested a trash-strewn portion near the school that now seemed not so new. Other village buildings looked shabby. The village office and library occupied rented space. The fire-fighting equipment was housed at four scattered locations. The one-man part time police force lived nine miles away.

To remedy the situation, The Spencer Grange No. 1110, under the leadership of Robert Wild, and the Spencer Chamber of Commerce, met separately to develop community action programs.

GRANGE ENLISTS COMMUNITY LEADERS

When the Grange and the Chamber of Commerce combined forces—"to get things done that needed doing"—seven committees were appointed, and they functioned amazingly well. The absentee police force was replaced by a Spencer man who qualified by passing a civil service-type examination. The Village Board and Town Board were persuaded to reactivate their dormant zoning and planning commissions with new appointments. The entire village rallied to a plea for civic beautification. The old creamery and its grounds were spruced up. Weeds were sprayed. Owner's consent was obtained for four area fire companies to raze a long-abandoned hotel. Planters with shrubbery or flowers growing in them were placed at choice locations downtown. In one grand gesture, the local bank whacked off two stories of its downtown corner building to conform with the predominantly one-storied business section.

The Village Board was prevailed upon to build—after an intensive publicity campaign had won voter approval in a referendum—a central municipal building to house the Village Office, the public library and the Volunteer Fire Company, plus a public meeting hall. That is now nearing completion. Nearby and also nearly finished—a fringe benefit, so to speak—is a new U.S. Post Office.

The upshot was a Spencer entry in the 1965 biennial Community Progress competition, sponsored jointly by the National Grange and the Sears-Roebuck Foundation. Spencer Grange won the $10,000 first prize.

A public opinion poll revealed that more than half of Spencer's residents would prefer to work in Spencer, if work could be had. So the Progress campaigners obtained a charter under state laws to establish the Spencer Development Company, with an authorized capitalization of $50,000, to help existing business and to try to attract new business to Spencer. A lot of SDC shares are still for sale, but volunteer labor with borrowed equipment managed to transport enough earthfill from two locations where it was not wanted to the Di-Pelco site, enabling the laying-cage factory to double its floor space.

It was suggested that a trained local labor supply might be a factor in luring new business to Spencer. The local high school had phased out its vocational agricultural course as farming had fallen off, and no other vocational training had replaced it. When placed before the School Board, the question eventually was resolved by providing funds for busing Spencer vocational students to Elmira schools in adjoining Chemung County.

HOPEFUL FOR HIGHWAY

Serious consideration was given to the installation of public water supply and sewer systems. That idea had to be dropped when the $700,000 cost was compared with an annual village tax intake of about $19,000. Township taxes total only $47,000 a year, and many residents live on fixed incomes. Diligent efforts to have a projected new state expressway pass through or close to Spencer met with failure but gained a promise of consideration for Spencer in future highway planning.

On the whole, Spencer's massive self-improvement program went along swimmingly—except for the pervasive presence in the village center of that obnoxious, stagnant and polluted pond-marsh. Still known as Nichols Park Lake from its days as an abortive WPA project, it came first within the purview of Eino Alve's Community Appearance Committee. It drew the attention, too, of Earl Richards' Committee on Public Utilities and Governmental Services, and of the Recreation Committee led by Richard Rumsey, the Chamber of Commerce president.

Benefits were held to raise funds for the project. A well publicized door-to-door solicitation of money brought in the astonishing sum of almost $12,000—in a town whose annual tax revenue amounts to about $47,000. The Committee estimates the use of donated and borrowed equipment thus far has been worth $23,000, and the volunteer labor, if hired at union rates, would have cost $99,600. (That's 25,876 man-hours at the prevailing wage-rate in Tioga County of $3.85 an hour.)

As Eino Alve's men and boys cleared away the trash, brush and high weeds, wonderful new ideas emerged for the creation of a modern lake-and-park recreation area that could serve the needs not only of Spencer Town and Village but also those of Van Etten, three miles to the west, and Candor, eight miles east. It could fill the leisure hours of toddlers, school-children, teenagers, young adults, the not-so-young and the elderly. The dream became an obsession that overwhelmed the entire Township and even people beyond.

A new committee was organized, called the Spencer Park Development Committee, to proceed with the establishment of a 27-acre park containing landscaped walks, picnic tables, fireplaces for cookouts, modern playground equipment. It would have a one-acre islet in the center of the lake for nature study and a wildbird refuge. A footbridge would connect the islet with the lake shore.

Work was begun to drain and dredge the swamp and pond. Equipment of all kinds was borrowed or scrounged or improvised wherever it could be found.

The Committee found a dilapidated, 40-year-old dredge pump in an abandoned sand and gravel pit. The Morris Centrifugal Pump Co., of Baldwinsville contributed parts and know-how to put it in running order.

Almanco, the local machine shop, trimmed a shaft for the dredge and helped in other ways. The Gates Rubber Co., in distant Syracuse, provided V-belts for the dredge engine.

Agway donated posts on which traps were strung to catch fish and weeds that might clog the pumps, which were manned 24 hours a day by volunteers. Dozens of small boys, directed by fishing club members, trapped fish for removal to nearby Catatonk Creek.

As the water level went down, about 50 volunteers in four borrowed trucks labored over six weekends to haul 350 railroad ties donated by the Lehigh Valley line in Van Etten about 10 miles to the lake shore to be used as cribbing along the eastern edge. The cribbing was installed in two days. The Town Highway Department helped with the backfill.

An Army Reserve unit located at Elmira in the next county, Co. B 464, Corps of Engineers, was enveigled into building the footbridge, which is supported by new telephone poles donated by the Western Counties Telephone Co. The Army also helped with blasting tree stumps, with bulldozing operations and the temporary use of a large truck—all in the cause of military training.

Area farmers donated time, tractors, irrigation pumps and piping. A local contractor donated a bulldozer and a volunteer operator on weekends. Spencer Sales, the local Ford dealer, provided a wrecking crane and driver, to free mired equipment, and a truck to help remove abandoned auto hulks. Simcoe's Garage, the local McCulloch farm equipment dealer, donated brushcutters and a motorized weed-cutter. Boy Scouts, Girl Scouts, Sea Scouts, Cub Scouts, Junior Grange members and just plain kids pitched in to help however they could.

The Committee and the townspeople feel they have just about exhausted local resources, a prerequisite condition for receiving state or federal assistance with their park project. And they need outside assistance now. The work has gone just about as far as it can be pushed by hand and with makeshift tools. Specifically, the loan of heavy equipment is needed, and technical help in detailed planning. And money for playground equipment and recreation facilities, rest rooms and such.

"We're going to have picnic tables in that park this summer," vowed Earl, "if I have to buy or build one myself."

ELECTRIC VEHICLES

Mr. MAGNUSON. Mr. President, on March 14 the Commerce Committee and the Air and Water Pollution Subcommittee of the Public Works Committee opened hearings on S. 451 and S. 453, bills to promote the development of electric vehicles and other nonpolluting alternative to the internal combustion engine.

As the hearings opened, I said that a great many witnesses were scheduled and I did not wish to anticipate their testimony. I noted, however, that a day earlier, we had seen a display of 10 operating electric-powered vehicles. As that demonstration indicated, a technology for limited performance of electric cars, with useful characteristics, exists today.

I then made an observation that has been underscored several times in the ensuing testimony. Better vehicles will become available as the market for them develops. It seems to me that two groups should serve as the initial market to stimulate this development—one is the electric industry which stands to profit from the increased use of electricity. The other is the Government. The imaginative and selective purchase of prototype electrics by the Federal Government is one way to reward new breakthroughs in design, and help assume the burden of privately financed research and development, of which there is a great deal going on in these United States by the automobile manufacturers themselves and others, who are very conscious of the need to do something about the problems involved, particularly in metropolitan centers.

Selective procurement of safer motor vehicles for Federal use was authorized recently in Public Law 89–515. Members of the Commerce Committee recognized the significant implications of this legislation. In recommending enactment of Public Law 88–515, we said that a major purpose of the legislation was "to encourage the development and manufacture of safer automobiles for sale to the public." At the same time, we must find a sound way to encourage the development and manufacture of nonpolluting motor vehicles for sale to the public.

More recent developments in the motor vehicle safety field illustrate another important consideration which should apply to the Federal role in development of nonpolluting motor vehicles. I refer to Public Law 89–563, the National Traffic and Motor Vehicle Safety Act of 1966, and the proposed Tire Safety Act, which I introduced, and which was ultimately incorporated into Public Law 89–563. These acts stressed the importance of specifying performance, rather than design, in setting standards for safety. The committee report on the Traffic Safety Act of 1966 explained the importance of using performance standards as follows:

Such safe performance standards are thus not intended or likely to stifle innovation in automotive design.

Manufacturers and parts suppliers will thus be free to compete in developing and selecting devices and structures that can meet or surpass the performance standard.

Use of Federal procurement opportunities, with specifications based on performance of the vehicle, seems to be a most suitable and effective type of Government-industry cooperation.

I was, therefore, pleased to learn, when the hearings began last Tuesday, that Dr. J. Herbert Hollomon, Acting Under Secretary of Commerce, favors a similar program for Federal action which he believes would provide the best start toward developing improved individual transport while substantially reducing air pollution. Dr. Hollomon made his proposal in these words:

First, by means of legislation or otherwise, the Federal Government should be authorized to take steps in this area to further stimulate competition within industry to make innovations in the public interest more attractive. A program could be established to reward the best designs of low-pollutant vehicles by basing Government purchase on performance competition. Safety standards for vehicles were first approached through a similar technique. If electric vehicles can compete successfully in such a situation, a market could be made available on which production facilities and schedules could be based. This could be followed by the creation of additional markets which satisfy special requirements in the private sector, such as those of urban-suburban areas. A successful competitor which meets, e.g., military base or urban postal pickup and delivery performance criteria, should also be useful as a shopping or town car for the general public.

Mr. President, this idea was given further endorsement on the last day of the hearings by Secretary of the Interior Stewart Udall. He said:

It may be that the Federal Government, by making its own specifications of minimum requirements, can offer an inducement and take some of the risk element. I think the Federal Government ought to take some of the risk element.

These statements bring together the specialized requirements of certain Government markets and the meeting of public needs through private enterprise. On military installations, electrics would serve usefully since speeds are restricted and space is often limited. Many of the stop-start operations of the Post Office could be handled by a properly designed electric.

Senator MUSKIE's subcommittee and the Commerce Committee intend to move ahead with our deliberations. We will carefully consider the views of Dr. Hollomon, Secretary Udall, and others who so generously contributed to our 4 days of hearings. I still feel, as I declared in opening the hearings last Tuesday:

The cities and the consumer stand to benefit from the introduction of electrics. The electric will help alleviate air pollution and urban congestion. The consumer will benefit from instant starting, reduced maintenance, long life, and the economy of electricity as a fuel.

The electric's return will signal this country's response to problems of the 20th Century. The electric is not the new way of life, but the electric is the new technology to help solve the new problems of our new age.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The PRESIDING OFFICER (Mr. NELSON in the chair). Is there further morning business? If not, morning business is closed.

MILITARY PROCUREMENT AUTHORIZATIONS, 1968

Mr. BYRD of West Virginia. Mr. President, I move that the Senate proceed to the consideration of S. 666, the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 666) to authorize appropriations during the fiscal year 1968, for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and research development, test, and evaluation for the Armed Forces and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services, with an amendment, on page 2, line 10, after the word "Navy", to strike out "$1,824,000,000" and insert "$1,522,900,000"; so as to make the bill read:

S. 666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1968 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, as authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Army, $768,700,000; for the Navy and the Marine Corps, $2,420,400,000; for the Air Force, $5,582,000,000.

Missiles

For missiles: for the Army, $769,200,000; for the Navy, $625,600,000; for the Marine Corps, $23,100,000; for the Air Force, $1,343,000,000.

Naval Vessels

For naval vessels: for the Navy, $1,522,900,000.

Tracked Combat Vehicles

For tracked combat vehicles: for the Army, $424,700,000; for the Marine Corps, $5,100,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1968 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $1,539,000,000;

For the Navy (including the Marine Corps) $1,864,118,000;

For the Air Force, $3,288,514,000; and

For the Defense Agencies, $464,000,000.

SEC. 202. There is hereby authorized to be appropriated to the Department of Defense during fiscal year 1968 for use as an emergency fund for research, development, test, and evaluation or procurement or production related thereto, $125,000,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. Subsection (a) of section 401 of Public Law 89-367 approved March 15, 1966 (80 Stat. 37), is hereby amended to read as follows: "Funds authorized for appropriation for the use of the Armed Forces of the United States under this or any other Act are authorized to be made available for their stated purposes to support: (1) Vietnamese and other Free World Forces in Vietnam, (2) local forces in Laos and Thailand; and for related costs, during the fiscal year 1968, on such terms and conditions as the Secretary of Defense may determine."

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

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, with the approval of the distinguished Senator from Georgia [Mr. RUSSELL], the chairman of the committee which reported the pending bill, I ask unanimous consent that the Senate briefly go into executive session.

The PRESIDING OFFICER. Is there objection?

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

AMENDMENTS TO THE INTERNATIONAL CONVENTION ON SAFETY OF LIFE AT SEA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Executive E, 90th Congress, first session.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in the Committee of the Whole, proceeded to consider the amendments to the International Convention for the Safety of Life at Sea, 1960, annexed to the Resolution A.108 (ES.III) by which they were adopted on November 30, 1966, by the Assembly of the Intergovernmental Maritime Consultative Organization—IMCO—at its third extraordinary session, held in London, November 28–30, 1966, which was read the second time, as follows:

AMENDMENTS TO CHAPTER II OF THE INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1960

(Resolution A.108 (ES.III) adopted on November 30, 1966)

THE ASSEMBLY,

RECOGNIZING the need to improve the fire protection of ships,

NOTING Article 16(i) of the Convention on the Inter-Governmental Maritime Consultative Organization, concerning the functions of the Assembly with regard to regulations relating to maritime safety,

NOTING FURTHER that Article IX of the International Convention for the Safety of Life at Sea, 1960, in paragraphs (b), (d), (e), (g) and (h), provides for procedures of amendment involving participation of the Organization,

HAVING CONSIDERED certain amendments to Chapter II of the International Convention for the Safety of Life at Sea, 1960, directed towards improvement of fire safety measures for ships and forming the subject of a recommendation adopted unanimously by the Maritime Safety Committee at its thirteenth session,

ADOPTS the following admendments to Chapter II of the Regulations annexed to the International Convention for the Safety of Life at Sea, 1960:

"(a) The addition of a Part G (Regulations 71 to 91 inclusive), entitled 'Special Fire Safety Measures for Passenger Ships', the text of which is given in Annex I to this Resolution;

"(b) The addition of a new sub-paragraph (vi) to paragraph (b) of Regulation 27 and the replacement of paragraphs (b) and (e) of Regulation 38 by new paragraphs (b), (e) and (f) of that Regulation. The texts of these amendments appear in Annex II of this Resolution and they shall apply to passenger ships the keels of which are laid on or after the date on which the amendments come into force;

"(c) The replacement of Regulation 63 by a new Regulation the text of which is given in Annex III.

"(d) The amendments to Regulations 50, 54(i) and 65(j) set out in Annex IV which were found necessary to make these Regulations consistent with certain of the amendments mentioned above."

DETERMINES, in accordance with Article IX(e) of the Convention for the Safety of Life at Sea, 1960, subject to the concurrence of two-thirds of the Contracting Governments to the Convention, that each of the adopted amendments is of such an important nature that any Contracting Government making a declaration, under paragraph (d) of Article IX of that Convention, that it does not accept the amendment and which does not so accept within a period of twelve months after its entry into force shall, upon expiration of that period, cease to be a party to the Convention,

REQUESTS the Secretary-General of the Organization, in conformity with Article IX (b) (i), to communicate, for purposes of acceptance, certified copies of this Resolution and its Annexes, to all Contracting Governments of the International Convention for the Safety of Life at Sea, 1960, together with copies to all Members of the Organization, and

INVITES all Governments concerned to accept the amendments at the earliest possible date.

ANNEX I

PART G—SPECIAL FIRE SAFETY MEASURES FOR PASSENGER SHIPS

(For the purposes of this Part of the present Regulations, all references to Regulations relate, unless otherwise stated, to Chapter II of Regulations annexed to the International Convention for the Safety of Life at Sea, 1948.)

Regulation 71

Application

Notwithstanding the provisions of Article IX(f) of the present Convention and in amplification of the provisions of Regulation 1(a)(ii) of the present Chapter, any passenger ship carrying more than 36 passengers shall at least comply as follows:

(a) A ship, the keel of which was laid before 19 November 1952, shall comply with the provisions of Regulations 72 to 91 inclusive of this Part;

(b) A ship, the keel of which was laid on or after 19 November 1952 but before 26 May 1965, shall comply with the provisions of the International Convention for the Safety of Life at Sea, 1948, relating to the fire safety measures applicable in that Convention to new ships and shall also comply with the provisions of Regulations 74(b) and (c), 81, 83(b), 84, 86(b), 87(b) to (g), 90 and 91 of this Part;

(c) A ship, the keel of which was laid on or after 26 May 1965, shall comply with the provisions of the present Convention relating to the fire safety measures applicable in that Convention to new ships and shall also comply with Regulations 74(b) and (c), 86(b), 87(b), (c) and (d) and 91 of this Part.

Regulation 72

Structure

The structural components shall be of steel or other suitable material in compliance with Regulation 27, except that isolated deckhouses containing no accommodation and decks exposed to the weather may be of wood

if structural fire protection measures are taken to the satisfaction of the Administration.

Regulation 73

Main Vertical Zones

The ship shall be subdivided by "A" Class divisions into main vertical zones in compliance with Regulation 28. Such divisions shall have as far as practicable adequate insulating value, taking into account the nature of the adjacent spaces as provided for in Regulation 26(c)(iv).

Regulation 74

Openings in Main Vertical Zone Bulkheads

(a) The ship shall comply substantially with Regulation 29.

(b) Fire doors shall be of steel or equivalent material with or without incombustible insulation.

(c) In the case of ventilation trunks and ducts having a cross-sectional area of 31 square inches (or 200 square centimetres) or more which pass through main zone divisions, the following additional provisions shall apply:

(i) for trunks and ducts having cross-sectional areas between 31 square inches (or 200 square centimetres) and 116 square inches (or 750 square centimetres) inclusive, fire dampers shall be of a fail-safe automatic closing type, or such trunks and ducts shall be insulated for at least 18 inches (or 457 millimetres) on each side of the division to meet the applicable bulkhead requirements;

(ii) for trunks and ducts having a cross-sectional area exceeding 116 square inches (or 750 square centimetres), fire dampers shall be of a fail-safe automatic closing type.

Regulation 75

Separation of Accommodation Spaces From Machinery, Cargo and Service Spaces

The ship shall comply with Regulation 31.

Regulation 76

Application Relative to Methods I, II and III

Each accommodation space and service space in a ship shall comply with all the provisions stipulated in one of the paragraphs (a), (b), (c) or (d) of this Regulation:

(a) When a ship is being considered for acceptance in the context of Method I, a network of incombustible "B" Class bulkheads shall be provided in substantial compliance with Regulation 30(a) together with maximum use of incombustible materials in compliance with Regulation 39(a).

(b) When a ship is being considered for acceptance in the context of Method II:

(i) an automatic sprinkler and fire alarm system shall be provided which shall be in substantial compliance with Regulations 42 and 48, and

(ii) the use of combustible materials of all kinds shall be reduced as far as is reasonable and practicable.

(c) When a ship is being considered for acceptance in the context of Method III, a network of fire-retarding bulkheads shall be fitted from deck to deck in substantial compliance with Regulations 30(b), together with an automatic fire detection system in substantial compliance with Regulation 43. The use of combustible and highly inflammable materials shall be restricted as prescribed in Regulations 39(b) and 40(g). Departure from the requirements of Regulations 39(b) and 40(g) may be permitted if a fire patrol is provided at intervals not exceeding 20 minutes.

(d) When a ship is being considered for acceptance in the context of Method III:

(i) additional "A" Class divisions shall be provided within the accommodation spaces in order to reduce in these spaces the mean length of the main vertical zones to about 65.5 feet (or about 20 metres); and

(ii) an automatic fire detection system shall be provided in substantial compliance with Regulation 43; and

(iii) all exposed surfaces, and their coatings, of corridor and cabin bulkheads in accommodation spaces shall be of limited flame-spreading power; and

(iv) the use of combustible materials shall be restricted as prescribed in Regulation 39(b). Departure from the requirements of Regulation 39(b) may be permitted if a fire patrol is provided at intervals not exceeding 20 minutes; and

(v) additional incombustible "B" Class divisions shall be fitted from deck to deck forming a network of fire-retarding bulkheads within which the area of any compartment, except public spaces, will in general not exceed 3,200 square feet (or 300 square metres).

Regulation 77

Protection of Vertical Stairways

The stairways shall comply with Regulation 33 except that, in cases of exceptional difficulty, the Administration may permit the use of incombustible "B" Class divisions and doors instead of "A" Class divisions and doors for stairway enclosures. Moreover, the Administration may permit exceptionally the retention of a wooden stairway subject to its being sprinkler protected and satisfactorily enclosed.

Regulation 78

Protection of Lifts (Passenger and Service), Vertical Trunks for Light and Air, etc.

The ship shall comply with Regulation 34.

Regulation 79

Protection of Control Stations

The ship shall comply with Regulation 35, except however that in cases where the disposition or construction of control stations is such as to preclude full compliance, e.g., timber construction of wheelhouse, the Administration may permit the use of free-standing incombustible "B" Class divisions to protect the boundaries of such control stations. In such cases, where spaces immediately below such control stations constitute a significant fire hazard, the deck between shall be fully insulated as an "A" Class division.

Regulation 80

Protection of Store Rooms, etc.

The ship shall comply with Regulation 36.

Regulation 81

Windows and Side Scuttles

Skylights of engine and boiler spaces shall be capable of being closed from outside such spaces.

Regulation 82

Ventilation Systems

(a) All power ventilation, except cargo and machinery space ventilation, shall be fitted with master controls so located outside the machinery space and in readily accessible positions, that it shall not be necessary to go to more than three stations in order to stop all the ventilation fans to spaces other than machinery and cargo spaces. Machinery space ventilation shall be provided with a master control operable from a position outside the machinery space.

(b) Efficient insulation shall be provided for exhaust ducts from galley ranges where the ducts pass through accommodation spaces.

Regulation 83

Miscellaneous Items

(a) The ship shall comply with Regulation 40(a), (b) and (f), except that in Regulation 40(a)(i), 65.5 feet (or 20 metres) may be substituted for 45 feet (or 13.73 metres).

(b) Fuel pumps shall be fitted with remote controls situated outside the space concerned so that they may be stopped in the event of a fire arising in the space in which they are located.

Regulation 84

Cinematograph Film

Cellulose-nitrate-based film shall not be used in cinematograph installations on board ship.

Regulation 85

Plans

Plans shall be provided in compliance with Regulation 44.

Regulation 86

Pumps, Water Service Pipes, Hydrants and Hoses

(a) The provisions of Regulation 45 shall be complied with.

(b) Water from the fire main shall, as far as practicable, be immediately available, such as by maintenance of pressure or by remote control of fire pumps, which control shall be easily operable and readily accessible.

Regulation 87

Fire Detection and Extinction Requirements

General

(a) The requirements of Regulation 50(a) to (o) inclusive shall be complied with, subject to further provisions of this Regulation.

Patrol, detection and communication system

(b) Each member of the patrol mentioned in Regulation 50(a) or, in the case of a ship the keel of which was laid on or after 26 May 1965, in Regulation 64(a)(i) of the present Chapter, shall be trained to be familiar with the arrangements of the ship as well as the location and operation of any equipment he may be called upon to use.

(c) A special alarm to summon the crew shall be fitted which may be part of the ship's general alarm system.

(d) A public address system or other effective means of communication shall also be available throughout the accommodation, public and service spaces.

Machinery and Bunker Space

(e) The number, type and distribution of fire extinguishers shall comply with paragraphs (g)(ii), (g)(iii) and (h)(ii) of Regulation 64 of the present Chapter.

International Shore Connection

(f) The provisions of Regulation 64(d) of the present Chapter shall be complied with.

Fireman's Outfits

(g) The provisions of Regulation 64(j) of the present Chapter shall be complied with.

Regulation 88

Ready availability of fire-fighting appliances

The provisions of Regulation 66 of the present Chapter shall be complied with.

Regulation 89

Means of Escape

The provisions of Regulation 54 shall be complied with.

Regulation 90

Emergency Source of Electrical Power

The provisions of Regulation 22(a), (b) and (c) shall be complied with except that the location of the emergency source of electrical power shall be in accordance with the requirements of Regulation 25(a) of the present Chapter.

Regulation 91

Practice Musters and Drills

At the fire drills mentioned in Regulation 26 of Chapter III of the present Convention, each member of the crew shall be required to demonstrate his familiarity with the arrangements and facilities of the ship, his duties, and any equipment he may called upon to

use. Masters shall be required to familiarize and instruct the crews in this regard.

ANNEX II

Regulation 27(b)(vi)

Wiring systems for interior communications essential for safety and for emergency alarm systems shall be arranged to avoid galleys, machinery spaces and other enclosed spaces having a high risk of fire except in so far as it is necessary to provide communication or to give alarm within those spaces.

In the case of ships the construction and small size of which does not permit of compliance with these requirements, measures satisfactory to the Administration shall be taken to ensure efficient protection for these wiring systems where they pass through galleys, machinery spaces and other enclosed spaces having a high risk of fire.

Regulation 38(b)

Where of necessity, a duct passes through a main vertical zone bulkhead, a fail-safe automatic closing fire damper shall be fitted adjacent to the bulkhead. The damper shall also be capable of being manually closed from both sides of the bulkhead. The operating position shall be readily accessible and be marked in red light-reflecting colour. The duct between the bulkhead and the damper shall be of steel or other equivalent material and, if necessary, to an insulating standard such as to comply with paragraph (a) of this Regulation. The damper shall be fitted on at least one side of the bulkhead with a visible indicator showing if the damper is in the open position.

Regulation 38(E)

It shall be possible for each door to be opened from either side of the bulkhead by one person only.

Regulation 38(F)

Fire doors in main vertical zone bulkheads and stairway enclosures, other than power operated watertight doors and those which are normally locked, shall be of the self-closing type capable of closing against an inclination of 3½ degrees opposing closure. All such doors, except those that are normally closed, shall be capable of release from a control station, either simultaneously or in groups, and also individually from a position at the door. The release mechanism shall be so designed that the door will automatically close in the event of disruption of the control system; however, approved power operated watertight doors will be considered acceptable for this purpose. Holdback hooks, not subject to control station release, will not be permitted. When double swing doors are permitted, they shall have a latch arrangement which is automatically engaged by the operation of the door release system.

ANNEX III

Regulation 63

Fireman's Outfit

A fireman's outfit shall consist of:

(a) Personal equipment comprising:

(i) Protective clothing of material to protect the skin from the heat radiating from the fire and from burns and scalding by steam. The outer surface shall be water-resistant.

(ii) Boots and gloves of rubber or other electrically nonconducting material.

(iii) A rigid helmet providing effective protection against impact.

(iv) An electric safety lamp (hand lantern) of an approved type with a minimum burning period of three hours.

(v) An axe to the satisfaction of the Administration.

(b) A breathing apparatus of an approved type which may be either:

(i) A smoke helmet or smoke mask which shall be provided with a suitable air pump and a length of air hose sufficient to reach from the open deck, well clear of hatch or doorway, to any part of the holds or machinery spaces. If, in order to comply with this sub-paragraph, an air hose exceeding 120 feet (or 36 metres) in length would be necessary, a self-contained breathing apparatus shall be substituted or provided in addition as determined by the Administration, or

(ii) A self-contained breathing apparatus which shall be capable of functioning for a period of time to be determined by the Administration.

For each breathing apparatus a fireproof lifeline of sufficient length and strength shall be provided capable of being attached by means of a snaphook to the harness of the apparatus or to a separate belt in order to prevent the breathing apparatus becoming detached when the lifeline is operated.

ANNEX IV

Regulation 50

Cinematograph Film (Methods I, II and III)

Cellulose-nitrate-based film shall not be used in cinematograph installations on board ship.

Regulation 54(i)

Cellulose-nitrate-based film shall not be used in cinematograph installations on board ship.

Regulation 65(f)

Fireman's Outfit

A cargo ship, whether new or existing, shall carry at least one fireman's outfit complying with the requirements of Regulation 63 of this Chapter.

Certified a true copy of Assembly Resolution A.108(ES.III) of 30 November 1966 and of its Annexes.

JEAN ROULLIER,
Secretary-General of the Inter-Governmental Maritime Consultative Organization.
DECEMBER 16, 1966.

RECOMMENDATIONS TO PUT FIRE SAFETY MEASURES INTO EFFECT

(Resolution A.109 (E.S.III) Adopted on November 30, 1966)

THE ASSEMBLY,

NOTING Article 16(i) of the IMCO Convention concerning the functions of the Assembly,

NOTING ALSO that the Maritime Safety Committee, at its thirteenth session, when adopting a recommendation proposing amendments to the International Convention for the Safety of Life at Sea, 1960, in respect of fire safety measures for existing passenger ships, which amendments have been adopted by the Assembly (Annex I of A/ES.III/Res.108), also recommended that Governments should act immediately to put the measures contained in the proposed amendments into effect, without awaiting their entry into force.

ENDORSES the above-mentioned recommendation of the Maritime Safety Committee,

INVITES all Governments concerned to put the measures recommended in Annex I of A/ES.III/Res. 108 into effect, to the maximum extent, as soon as possible; without awaiting the entry into force of the amendments.

RECOMMENDATIONS FOR FIRE SAFETY MEASURES FOR ALL PASSENGER SHIPS

(Resolution A.110 (ES.III) Adopted on November 30, 1966)

THE ASSEMBLY,

NOTING Article 16(i) of the IMCO Convention concerning the functions of the Assembly,

NOTING ALSO that the Maritime Safety Committee, at its thirteenth session, when adopting a recommendation proposing amendments to the International Convention for the Safety of Life at Sea, 1960, in respect of fire safety measures for ships, which amendments have been adopted by the Assembly (A/ES.III/Res. 108), also agreed upon certain recommendations related also to fire safety measures in passenger ships,

HAVING CONSIDERED those recommendations and recognizing that they contribute to the improvement of protection of ships against fire,

APPROVES the recommendation for fire safety measures, set out in the Annex to this Resolution,

RECOMMENDS all Governments concerned to give immediate effect to these recommendations.

ANNEX

Recommendations for fire safety measures which should be taken as far as is reasonable and practicable in all passenger ships

(1) Wiring systems for interior communications essential for safety and for emergency alarm systems should be arranged to avoid galleys, machinery spaces and other enclosed spaces having a high risk of fire except in so far as it is necessary to provide communication or to give alarm within those spaces.

(2) In addition to those water spray nozzles or dual purpose nozzles which may be required in the machinery spaces, such nozzles should be provided at some other hydrants and suitable applicators or extensions should also be provided.

(3) Fire hoses should be connected to fire hydrants at all times.

Mr. MANSFIELD. Mr. President, this is the 11th convention, treaty, or agreement reported by the distinguished Senator from Ohio [Mr. LAUSCHE], and reported unanimously, for consideration by the Senate.

The purpose of these amendments to the 1960 Safety of Life at Sea Convention is quite simple. It is to improve, on an international scale, the fire safety of vessels on the high seas, especially passenger ships.

The stimulus for these amendments was the tragic 1965 burning of the *Yarmouth Castle*, a Panamanian-flag vessel, with disastrous loss of American life. To prevent another such tragedy, the United States took the initiative in calling for better international standards of fire safety for ships.

The results are the amendments now under consideration to the 1960 Safety Convention. What they do mainly is to eliminate from that convention and an earlier one—1948—the so-called grandfather clauses which permitted ships already existing to continue as they were with little or no improvements. The *Yarmouth Castle* was one of those ships, built in 1927.

The amendments will eliminate from the international passenger trade, vessels with a great deal of wood in them. All basic ship structure must be of steel. Fire barriers will be required at certain intervals. All passenger accommodations must be separated from dangerous areas in the ship such as galleys and machinery places by steel bulkheads. If cabins are not separated from each other by some incombustible material, then a sprinkler system must be provided.

In short these amendments provide a significant advance in international fire safety for ships.

Implementing legislation will not be required to make these amendments effective for the United States, since the Con-

gress in effect has already enacted such legislation in Public Law 89–777 last year.

At the public hearing on March 16, the subcommittee was told that there is no opposition domestically to these standards. A few foreign countries thought that they were too high but the administration believes that even they will ratify these amendments.

The Senate has already passed once on the substance of these amendments when it passed the bill which became Public Law 89–777.

Mr. President, I ask unanimous consent that excerpts from the report be printed in the RECORD at this point, further to explain the treaty now before the Senate.

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

PURPOSE OF THE AMENDMENTS

These amendments to the 1960 Safety of Life at Sea (SOLAS) Convention are designed to improve the fire protection of ships, particularly passenger vessels. The principal methods of doing this is by eliminating from the existing SOLAS Conventions the so-called grandfather clauses which exempted vessels built before their effective date from many of the safety standards embodied in them.

The effect of these amendments is to eliminate from the international passenger trade vessels with wooden hulls, decks, and deckhouses. The basic structure of a ship will be required to be of steel. Steel fire barriers not more than 131 feet apart will be required on ships to isolate any fire that does start. Accommodation places for passengers will be separated by steel bulkheads and decks from such hazardous places as cooking, cargo, and machinery spaces. The various rooms within the passenger quarters will have to be separated by incombustible partitions or sprinkler systems will have to be provided.

In sum, when these amendments are approved, the wood structural contents of the old ships used for passengers will have to be eliminated or these ships will have to be scrapped.

BACKGROUND

Just as the sinking of the *Titanic* in 1912 in part led to the first SOLAS Convention—that of 1929—and the collision at sea of the *Andrea Doria* and the *Stockholm* in 1956 led to the 1960 SOLAS Convention, so the burning of the *Yarmouth Castle* in 1965 has resulted in the proposed amendments to the 1960 SOLAS Convention.

In between 1929 and 1960, there was also the 1948 SOLAS Convention which took into account technical advances and broadened the application of the 1929 standards. Each succeeding SOLAS Convention replaced the one before it, except that 1948 convention is still in effect for some parties. The pending amendments do not replace the 1960 convention, and in fact, by reference, revive certain provisions of the 1948 SOLAS.

The U.S. Government took a very active part in the negotiations of the amendments. On its motion, the Maritime Safety Committee of the Intergovernmental Maritime Consultative Organization (IMCO) met in an extraordinary session in May of 1966 to formulate the present amendments, which were then agreed to with minor changes by an extraordinary session of the IMCO Assembly in November 1966, at which 48 countries were represented.

At the same meeting, the assembly also approved a recommendation by the Maritime Safety Committee, that these amendments are so vital to safety of life at sea that contracting governments should not await their formal entry into force but should act immediately to put the recommended measures into effect to the maximum extent and as soon as possible. The entry-into-effect date is 12 months after the date on which the amendments are accepted by two-thirds of the contracting governments, including two-thirds of the governments represented on the IMCO Maritime Safety Committee. As of this date, no government has ratified the amendments.

In the meantime, the *Yarmouth Castle* fire with its disastrous loss of American lives became a matter of domestic concern as well. A subcommittee of the Senate Commerce Committee held 5 days of hearings on the question of safety of life at sea in April and June of 1966. It had available to it during the latter part of this consideration the May 1966 recommendations of IMCO's Maritime Safety Committee and on this basis, the following provision of Public Law 89–777 (approved November 6, 1966) was enacted:

"* * * any foreign or domestic vessel of over 100 gross tons having berth or stateroom accommodations for 50 or more passengers, shall not depart a United States port with passengers who are United States nationals, and who embarked at that port, if the Secretary of the Department in which the Coast Guard is operating finds that such vessel does not comply with the standards set forth in the International Convention for the Safety of Life at Sea, 1960, as modified by the amendments proposed by the thirteenth session of the Maritime Safety Committee of the Intergovernmental Maritime Consultative Organization * * * dated May 1966 * * *"

The effective date of this provision is the date of entry into force of the amendments now under consideration or November 2, 1968, whichever is earlier.

No further implementing legislation will be required since there is considered by the administration to be no conflict or inconsistency in substance between Public Law 89–777 and the final amendments adopted by the IMCO Assembly shortly thereafter.

U.S. passenger ships already meet very high safety standards and no significant changes will be involved for the industry. For existing U.S. ships the SOLAS amendments and recommendations are covered by Coast Guard regulations to which only minor amendments will be made. Foreign vessels, however, picking up U.S. passengers at U.S. ports, however, upon entry into force of these amendments, will have to meet their fire safety standards.

COMMITTEE ACTION AND RECOMMENDATION

The amendments were submitted to the Senate on February 27, 1967, and referred to a subcommittee consisting of Senators Lausche (chairman), Dodd, McCarthy, Carlson, and Case on March 3, 1967. At a public hearing on March 16, the subcommittee heard testimony by William K. Miller, Director, Office of Maritime Affairs, Department of State, and Adm. Willard J. Smith, Commandant, U.S. Coast Guard. Approval was strongly urged by these witnesses and they stated that there was no opposition to the amendments within the United States known to them. The prepared statement of Mr. Miller is appended to this report.

On March 20, the subcommittee recommended approval of these amendments to the full committee which endorsed this action.

As the leading proponent of these amendments, it appears to the committee to be entirely appropriate that the United States should be the first to ratify them.

While domestically, the U.S. Government has already taken appropriate steps to insure the safety of passengers embarking from U.S. ports, the safety of all American travelers embarking from ports anywhere is at stake and can be assured only through international agreement.

For these reasons the Committee on Foreign Relations urges the Senate to give prompt advice and consent to their ratification.

Mr. LAUSCHE. Mr. President, the amendments are designed to improve fire protection of ships, particularly passenger ships. The amendments are technical, as are the 1948 and 1960 Safety of Life at Sea Conventions—SOLAS—to which they apply. Their principal effect is to eliminate from these conventions the so-called grandfather clauses which exempted old ships from most of the safety standards laid down by them. The present amendments will eliminate from the international passenger trade vessels with wooden hulls, decks, and deckhouses. Steel fire barriers not more than 131 feet apart will be required as well as the separation of accommodation spaces by steel bulkheads and decks from such hazardous areas as galleys, machinery spaces, and cargo spaces.

The fires aboard the *Yarmouth Castle* and *Viking Princess* around the turn of 1965 sparked the drive for improving the fire safety of passenger vessels, which was led by the United States. The United States called for the May 1966 meeting of the Maritime Safety Committee of the Intergovernmental Maritime Consultative Organizations—IMCO—at which the present amendments were formulated. They were adopted with only minor changes by the Third Extraordinary Session of the IMCO Assembly in November 1966.

On the basis of the May 1966 recommendations of IMCO's Maritime Safety Committee, Congress enacted Public Law 89–777 after thorough hearings conducted by the Commerce Committees of the House and Senate. According to the letter of the Secretary of State transmitting the treaty to the President, there is no conflict or inconsistency in substance between these amendments and Public Law 89–777 and no further implementing legislation will be required.

The PRESIDING OFFICER. Without objection, the convention will be considered as having passed through its various parliamentary stages up to the point of consideration of the resolution of ratification, which the clerk will state.

The assistant legislative clerk read the resolution, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the amendments to the International Convention for the Safety of Life at Sea, 1960, annexed to the Resolution A. 108 (ES. III) by which they were adopted on November 30, 1966, by the Assembly of the Intergovernmental Maritime Consultative Organization (IMCO) at its Third Extraordinary Session, held in London November 28–30, 1966. (Executive E, 90th Congress, 1st session).

Mr. MANSFIELD. Mr. President, it is not my intention to ask for a vote at this time, but at an appropriate time I will ask that there be a vote at a time certain; and then, at a further appropriate time, I will ask for the yeas and nays.

LEGISLATIVE SESSION

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

MILITARY PROCUREMENT AUTHORIZATION, 1968

The Senate resumed the consideration of the bill (S. 666), a bill to authorize appropriations during the fiscal year 1968 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and research, development, test, and evaluation for the Armed Forces, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. RUSSELL. Mr. President, the almost $21 billion in authorization of appropriations this bill provides is a foundation for a defense program in 1968 that amounts to $75.3 billion in new obligational authority and about $73.1 billion in expenditures. It will be seen that of a total national budget of $144 billion, the functions of the Department of Defense account for more than half.

Seventy-five billion dollars is a lot of money by any standard of comparison. I know most Members of the Senate regret the necessity for spending it. It would be fallacious to assume, however, that if our security did not require this funding, the $75 billion would be spent for education, medical care, housing, or other social benefits. For those who view defense spending with excessive regret because of a view that social spending is thereby preempted, I remind them of the quotation from Sir John Slessor's "Strategy for the West" that "the most important social service that a government can do for its people is to keep them alive and free." That is the purpose of this bill.

I think we can agree that the defense we need should be provided as efficiently as possible. Since later in my remarks I intend to indicate some differences with his recommendations, perhaps this is a good place to say that I think Secretary of Defense McNamara is entitled to the highest praise for the administration he has brought to the Department of Defense. Sometimes, I wish he was a little less sensitive about the few areas in which the views of the Congress differ from his and that he did not have to react so defensively and combatively to the exercise of our responsibilities. But it should be said that except for the progress he is largely responsible for in such activities as refining the calculation of requirements, eliminating unnecessarily costly frills, and shifting to more competitive forms of procurement, the defense budget would be much larger, indeed, by billions of dollars.

The war in Vietnam heavily influence the size and form of the 1968 defense program. When presenting the supplemental authorization and appropriations requests for 1967 to the Senate earlier, I expressed my opinion that the conflict in southeast Asia is causing us to spend $2 billion a month more than we otherwise would be spending. By way of summary, I arrived at that estimate by beginning with the approximately $50 billion annually that was spent by the Department in the last year before we became significantly involved in southeast Asia. To this, $5.4 billion for pay increases in the last 2 years was added. The sum was subtracted from the $73.1 billion in expenditures expected in 1968 to produce a difference of about $17.7 billion annually or about $1.5 billion per month. Secretary McNamara came up with a figure of about $22 billion annually by going through each appropriations account and trying to isolate specific costs that would not be incurred except for Vietnam.

Neither method takes into account the depletion of stocks and supplies that were already on hand and neither makes any allowance for diverting resources to Vietnam from tasks to which they were assigned before. With a reasonable allowance for stock depletion and diversion of resources, the cost of the Vietnam war probably exceeds $24 billion annually.

Also, in discussing the 1967 supplemental funding, I informed the Senate that unless circumstances change drastically, the Department does not plan to submit a major supplemental in fiscal year 1968. In determining its funding requests for 1968, the Department has included enough to last through the procurement leadtime following the time when the fiscal year 1969 obligational authority will be given to it—normally, this would be in the summer of calendar year 1968. This means that on such things as ammunition, which has a 6-month leadtime, the fiscal year 1968 funds will finance requirements through December of 1968. For aircraft, which has a leadtime of 18 months, the 1968 program funds requirements through December of 1969.

Members of the Senate need not be told there is no absolute defense in today's world. In defense as in many other aspects of life it always is hard to know how much is enough. Logistics objectives are based on judgments of the threat we face and assumptions on the kind and location of the combat our forces might have to participate in in defense of our national objectives. In carrying out our responsibilities as Members of Congress, an examination of the strategic concepts and the postulates on which our level of forces are proposed is fundamental.

STRATEGIC FORCES

In the area of strategic forces, there is a high level of understanding and commendable public support for the proposition that we must have a nuclear strike force that could survive an attack initiated by an enemy and then retaliate against that enemy with such destructive power that the attacker would be destroyed. There can be little doubt we have such a force today. This force is composed of nearly 1,000 Minutemen missiles, Polaris missile-firing submarines that will number 39 by the end of this fiscal year, and strategic bomber forces—however, not modern—of about 550 B–52's and 80 B–58's. Likewise, 54 Titan missiles are in the force for the next few years.

The vital point now is to maintain this ability to respond with overwhelming force to a nuclear attack. There is evidence the Soviet Union is deploying an antiballistic missile defense and that she is building more offensive intercontinental missiles than we thought she might at this time. The former—that is, the defensive missiles—might intercept and destroy a substantial number of our retaliatory missiles. The latter—that is, the offensive missiles—if they have the ability to destroy hardened targets, might destroy a significant number of Minuteman missiles we are depending on as a large part of our second-strike strength.

In trying to keep our strategic offensive forces ahead of the defense, the 1968 defense program includes the continued development and production of the Poseidon missile and a contingent funding for an antiballistic missile system to protect Minuteman sites from an intercontinental ballistic missile attack. The Poseidon missiles, which will have a vastly improved power to penetrate a ballistic missile defense, will be substituted for Polaris missiles aboard our fleet ballistic missile submarines in a retrofit program over a period of several years. For the entire Poseidon program contemplated, the cost is $3.3 billion, of which $900 million is included in the 1968 program, in the bill before us.

I shall have more to say about the antiballistic missile system later in my remarks. For now though, I should also say that a large part of our Minuteman force will be equipped with reentry vehicles designed to penetrate an antiballistic missile defense, that the Department of Defense is studying the need to develop a new intercontinental ballistic missile system, and that the SRAM standoff type missile is being developed for installation on the 210 FB–111 bomber force and for possible use on the 255 B–52's of the G and H series that will be retained after the other B–52's have been inactivated.

In my opinion, there is little justification for any contention that the United States is not doing enough to maintain its capability to launch a devastating nuclear retaliation.

But there are honest differences of opinion on whether our strategic defensive forces are all that they should or could be. Foremost among these differences is the continuing controversy over beginning procurement for deployment of a ballistic missile defense. Another prominent consideration is the desirability of procuring a new manned interceptor to replace the aging and obsolete aircraft upon which we now depend to defend against a bomber attack.

In the committee's hearings that are available to the Senate, and in a censored form to the public, there was extensive testimony and questioning about the decision of the executive branch that our deploying a ballistic missile defense would touch off a new and expensive arms competition with the Soviet Union without really affecting the balance of terror and that there is plenty of time to wait and see whether we should deploy such a system against the growing Red Chinese nuclear threat.

In my opinion, and I think in the opinion of a majority of the committee, there are some defects in the reasoning that leads to these conclusions.

I do not wish to do an injustice to the case against deployment by summarizing it at too short a length, but to respond to the argument, the argument should be stated in brief. It runs generally that our deploying an ABM will cause a response in offensive capability by the Soviet Union, resulting in no diminution in the risk of a Soviet nuclear attack and no meaningful reduction in the damage to the United States from a Soviet nuclear attack if deterrence should fail.

Concomitant arguments are first, that it would take longer for Communist China to develop and deploy a significant ICBM force than it would take for us to produce and deploy a missile defense against; and, second, that to protect our Minuteman sites against the kind of heavy, sophisticated attack the Soviets may be able to launch in a few years, it may later be desirable to provide a missile defense for some of the Minuteman sites. About $377 million is included in the 1968 budget to permit a start on some such system of missile defense if negotiations with the Soviet Union on an agreement restricting the deployment of an ABM system are not successful.

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

Mr. RUSSELL. I yield.

Mr. CLARK. Would the $377 million be for the actual deployment of our present antiballistic missile system, which I understand is the Nike X?

Mr. RUSSELL. It is to begin long leadtime procurement for the deployment of the latest we have, the Spartan and the Sprint. I do not know that it would actually result in the deployment, but it would start the procurement program, because of the long leadtime involved, which would enable us to make a start in the deployment of the antiballistic missiles.

Mr. CLARK. The Senator from Tennessee [Mr. GORE] is chairman of a subcommittee of the Committee on Foreign Relations which has been holding hearings in some depth on the antiballistic missile system. I attended most, if not all, of the hearings. I must talk with caution because of what was disclosed in executive session, where classified information was given. The Senator from Tennessee [Mr. GORE] is on the floor. He can correct me if I am wrong. It is my understanding, from the views expressed by intelligence officials, officials from the Atomic Energy Commission, and from the CIA, that both the Spartan and the Sprint were several years away from being capable of being deployed. I had thought they were several years away in terms of research development and being able to be procured. Can the Senator enlighten me on that?

Mr. RUSSELL. I do not think that information conforms to that which we have, though, as I have stated, they cannot be deployed immediately.

Mr. CLARK. Because they have to be procured.

Mr. RUSSELL. That is what I say; you have to procure the long leadtime items.

If the Senator will permit me to finish, I shall be glad to discuss the matter with him at such length as he may desire.

Mr. CLARK. Certainly.

Mr. RUSSELL. In trying to support its conclusion that it is expensively futile to build an ABM defense against the Soviet Union, the Department of Defense presented an involuted series of assumptions, hypotheses, and assumptions upon assumptions. In its latter stages, this exercise gets too esoteric for me to follow. If one accepts every premise in this syllogism, he will arrive at the conclusion the Department desires. In a way, this is a little like the crack about the statistician who drew a straight line from an unwarranted assumption to a foregone conclusion. More seriously, the Department's case is based more on what General Wheeler, who disagrees with the Department's conclusion, referred to as the assumption that the reaction of the Soviet Union to our ABM deployment would be "equal, opposite, feasible, and possible."

From 1955 through fiscal year 1967, the United States will have spent about $4 billion in research on ballistic missile defense, including Nike-Zeus, Nike-X, and Project Defender. As a result, we have developed concepts and equipment for a system that competent evaluators consider would provide valuable, if imperfect, protection against a relatively light, unsophisticated attack. It could provide nearly perfect protection against an attack of the accidental type or of the type that Communist China might be able to launch in the 1970's. From a fairly basic beginning that provided a thin area defense for the entire United States and a more concentrated defense for some of our missile sites at a cost of slightly more than $4 billion, this system could be expanded to provide more defense against Soviet missile attack for 25 cities at a total cost of just under $10 billion or the same kind of defense for 50 cities for a total cost of slightly more than $19 billion.

To these cost estimates Secretary McNamara adds predictions of cost overruns, the cost of procuring a new interceptor force to prevent a bomber attack from negating our missile defense, and the cost of an expanded fallout shelter program to arrive at his conjecture that we would eventually spend $40 billion once we started. I referred only partly in jest to this figure as being intended as a congressional deterrent. Any part of this that is spent would be spread over a period of 5 to 7 years. I do not agree that we would inevitably spend this, and even if we did, it is not staggering in relation to the importance of the objective, our ability to pay it, or what we are spending annually in Vietnam.

Of greater concern than the cost is the Secretary's belief that even expenditures of this magnitude would not reduce U.S. casualties in the slightest if the Soviet Union reacted to the deployment of an ABM defense here by increasing the second strike damage potential of their offensive forces. I referred earlier to the uncertainty and skepticism, apparently shared by General Wheeler and the members of the Joint Chiefs of Staff, that the Soviet Union would respond in such a way that our defense would be negated. If they did not, even the Department's figures estimate that the $10 billion investment would save 80 million Americans and that investment of the $19 billion would save 90 million Americans in the event of a Soviet first strike. It seems to me that the objective in defense should be to prepare to save all that you can, even if you are unable to save everything and everyone.

Last year the committee took the initiative in recommending an additional $167.9 million to begin production for the deployment of a missile defense system. This action has been erroneously attributed elsewhere but the record will show that it originated in this committee and in the Senate. That amount, which has not been used, and the $377 million that is in the budget for possible use in 1968 are enough, when combined, to finance the first year's cost of any one of several possible deployments. Fortunately, it is not necessary to decide now what the ultimate scope of the deployment need be.

The committee, of course, does not oppose negotiations with the Soviet Union on an agreement banning the deployment of complicated, expensive, and extensive missile defense systems. We believe, however, that these negotiations should take into account that a bilateral agreement would leave us vulnerable to a possible nuclear attack from Communist China, from future members of the nuclear "club," or even an accidental attack. The committee feels that full consideration should be given to permitting deployment of at least the "thin" ABM defense. If an agreement that fully protects the interest of the United States cannot be consummated within a reasonable period, the committee strongly believes that the available funding should be used to begin production for deployment of a missile defense system, a program that requires several years to accomplish.

This position is shared with some highly competent company, including the Joint Chiefs of Staff, and I noticed in the press last week, I believe, that Dr. Harold Agnew, the head of the Scientific Laboratory Weapons Division of the Atomic Energy Commission's Los Alamos laboratory, now holds to this view.

In an article in the Washington Post of March 17, Dr. Agnew was quoted as fearing that the companies working on Nike X are now ready for the next step but might disband their technical teams and convert their facilities to other uses if the system is kept in suspension another year. I also like his deprecation of the suggestion that anything good for us militarily also has to be good for our potential adversaries. In addition, he is reported to have criticized the idea that any increases in our capability can be considered good only if they contribute to stability. To his disapproval of these notions, I say "hear, hear," and his willingness to stick his neck out in this respect I salute.

In the bomber field, the Department of Defense still has not been persuaded that the Air Force should develop the new bomber that has become known under the acronym of AMSA, standing and advanced manned strategic aircraft; $26 million will be spent for work on engines and avionics for such a new bomber but there is no decision to proceed with con-

tract definition, which is a prerequisite to getting down to business on production. I did not note any great enthusiasm by the Secretary of Defense in that direction. For bombers, the Department's plans still call for producing 210 FB–111's, the bomber version of the TFX that will be equipped with the air-to-surface standoff missile called SRAM, and retaining 255 of the later model B–52's.

Under the Department's plans, the earliest we could get anything better would be fiscal year 1976. By adding extra authorization and appropriations for this purpose for several years, the Congress has demonstrated its conviction that we will need a new bomber in the middle 70's. By refusing to accelerate the bomber development, the civilian heads in the Defense Department have shown that they doubt very much that a follow-on bomber has any purpose in our strategic forces. It probably would be futile to try to change their mind again this year, but I would not want the lack of any additional authorization this year to be construed as a change of my view that the Department should be moving faster to provide another long-range bomber with a large weapon-carrying capacity and high speed at both high and low altitudes.

Having dwelled for perhaps too long on only one phase of our defense efforts—although perhaps the most controversial—I should move along to other subjects.

GENERAL PURPOSE FORCES

Thus far I have referred not at all to our general purpose forces, those that are deeply involved in the fighting in Vietnam and the kinds that would be used in resisting aggression against Western Europe, at least in the early stages. Most of the Army's combat units, nearly all the Navy forces except the Polaris submarines, the Marine Corps, and the tactical units of the Air Force are in this category.

One of the reasons for the steep increase in military spending since the end of fiscal year 1965 is that by the end of this fiscal year, we will have about 730,000 more men on active duty than we had when the decision to send U.S. combat forces to Vietnam was made. The pending bill is an authorization of appropriations for purposes other than personnel costs, but more personnel requires more weapons and equipment, and therefore the level of forces and their deployment are important determinants of major procurement and therefore defense spending.

Our ground force strength objective for fiscal year 1968 is 31⅓ division force equivalents, a term defined as a division itself plus all its supporting forces. The Army will have 18⅓ active division equivalents and the Marine Corps will have four. Of these 22⅓ active divisions, 8⅓ will be deployed in southeast Asia—6⅓ Army and two Marine Corps—five in Europe, and two in Korea. Seven divisions—five Army and two Marine Corps—will be held in the United States as a central reserve. In addition, there are nine divisions in the reserve—eight Army and one Marine Corps. These are the ground forces upon which we would rely for response to any expansion of the war in southeast Asia or if fighting to which our security interest requires us to respond breaks out elsewhere in the world.

To supply these forces with the weapons, equipment, ammunition, and supplies they need in combat, procurement objecitves are established generally on the basis of how much is needed to keep our forces fighting before production can be increased enough to replace those items consumed in combat.

ARMY

In progressing toward the Army equipment authorization of 26⅓ division sets, the 1968 procurement program involves continued purchase of the Iroquois, Cobra, Chinook, observation, and heavy lift helicopters and Mohawk fixed-wing observation aircraft. Missile systems receiving funds are ground support equipment for the Pershing, the Lance division support missile that will replace Honest John, the Tow and Shillelagh antitank missiles, and the Redeye and Chaparral missiles for air defense of troops in the field.

There is tentative approval for the conversion of an Army airborne division to an airmobile type like the 1st Air Cavalry Division that has given such a good account of itself in Vietnam. The timing of this conversion will depend on details of a conversion plan to be formulated by the Army and the Joint Chiefs of Staff, but it has been provisionally scheduled for the early part of fiscal year 1969.

NAVY

The Navy's carrier force program is for a fleet of 15 attack carriers and 12 air wings. No new carrier is in this year's program, but it is understood that a nuclear-powered one probably will be in the fiscal year 1969 request. The shipbuilding program approved by the Department of Defense for 1968 is substantially smaller than the one that had been projected earlier. Changes include reductions in the approved number of nuclear-powered attack submarines from five to three, in amphibious ships from 17 to one, and in logistics ships, from 15 to three. These reductions are unrelated to the committee's decision to disapprove construction of a new class of so-called fast deployment logistics ships that I shall discuss in a few moments.

The Navy is designing a new class of escort ships now called DX that may be procured under the total package procurement concept. The same system may be used for a closely related development of a new class of guided missile ships now designated DXG. Both of these new types could have the same hull but employ different weapon systems or they may have common bow and stern sections, but different midsections for each type. Also under development for possible procurement under the single package plan is a new kind of amphibious ship, designated LHA, that will be capable of providing over-the-beach and vertical envelopment assault tactics for the Marine Corps. It will be designed to launch landing craft as well as helicopters and will combine the characteristics now in two different amphibious types, the LPH and the LPD.

Major types of aircraft to be procured by the Navy and Marine Corps include the RA5C for reconnaissance, the A6A for all-weather attack, the EA6B for electronic countermeasures, the A7A for close support, interdiction, and light attack missions, the OV10A for counterinsurgency missions, and the P3B for anti-submarine warfare patrol.

In Navy aircraft, I have purposely left until last the F–111B, the Navy version of the highly controversial TFX. The Navy intention is to use this aircraft, equipped with the new Phoenix missile, that will be capable of detecting several different hostile aircraft at long ranges and launching missiles to destroy them, as an interceptor. But this plane has had many problems, notably weight. It has yet to be demonstrated that the aircraft can be made suitable for carrier operations. The Secretary of the Navy insists that all alternatives to it have been carefully explored and that the Navy has passed the point of no return in its commitment to the E–111B for the period when this aircraft will be needed. Based on these assurances, the committee has left the authorization for it untouched, but before appropriations against this authorization are made, further evidence of progress in solving the many problems that have beset development of this aircraft will be needed.

AIR FORCE

Major aircraft procurement for Air Force general purpose forces will be of the F–111A, the F–4E, and the A–7. There has been some problem in matching the engine to the airframe of the F–111A, but there is little doubt that this will prove to be an effective attack aircraft for the Air Force.

AIRLIFT AND SEALIFT

Disapproved by the committee was a proposal to begin the construction of seven fast deployment logistics ships toward a planned force of 30 of these ships. In concept, these vessels would have been loaded with heavy, bulky equipment used by ground forces in combat and they would have been constantly deployed in forward areas throughout the world. Theoretically, ground troops would be flown to a combat area to find the heavy equipment already there.

The committee was concerned about the psychological effect, both at home and abroad, of being committed to deployment of these huge floating arsenals all over the world. In the judgment of the committee, we should not unilaterally assume the function of policing the world. Some nations would consider this facility for intervention anywhere, anytime as an intimidation. As for the effect of too much pre-positioning on our own decisions, there is reason to think, to put it colloquially, that if it is easy for us to go anywhere and do anything, we will always be going somewhere and doing something.

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

Mr. RUSSELL. I yield.

Mr. MANSFIELD. Do I correctly understand the Senator to say that we had contemplated seven ships initially, fully supplied logistically, with an ultimate goal of 30, to be stationed every-

where or anywhere throughout the world?

Mr. RUSSELL. All over the seven seas.

Mr. MANSFIELD. Would that not in effect make us a world policeman and make us subject to actions for which we might not assent in Congress?

Mr. RUSSELL. Mr. President, that was one of the beliefs that moved the committee to reject this proposal. As I have just stated, we did not think that we should go any further in a unilateral effort to police the entire world or impose a Pax Americana.

Of course, if these large ships, each of 10,000-ton displacement and loaded with heavy equipment, were scattered throughout the world, one of them would be constantly positioned near any possible danger spot. The demand would be for Uncle Sam to use the ships and send troops to take care of the situation.

Mr. MANSFIELD. Mr. President, it appears to me that this would be an invitation on our part which I think should be foreclosed.

Do I correctly understand the Senator to say that this proposal was eliminated by the committee?

Mr. RUSSELL. The committee has recommended that it be eliminated, and the Senate has agreed to the amendment which eliminates it.

Mr. MANSFIELD. I am delighted.

Mr. RUSSELL. I thank the Senator.

Reduction of the Navy's shipbuilding authorization request by $301.1 million to effectuate the committee's action does not mean the Armed Forces are left without provision for the heavy equipment they would need in combat overseas. In many areas where we are committed by treaty or otherwise to resist aggression it is possible to pre-position this equipment on land. This has been done in Western Europe. Moreover, we already have some Victory class ships that can provide a limited amount of pre-positioning at sea, if this is a wise course to follow. Furthermore, the C–5A, a new, very large, air transport that is being developed, will be capable of carrying 98 percent of the equipment an Army division needs.

Incidentally, Mr. President, since the C–5A will be produced in my own State of Georgia, I anticipate criticism that my reaction to the FDL was influenced by the hope that the production of the C–5A might thereby be increased. That argument could be made, of course, but I suspect there was at least a mild attempt to coerce me during the hearings by the suggestion that if one does not accept the necessity for this vast fleet of ships of the FDL type, the numbers of the C–5A required might have to be reduced. I think the committee's action demonstrates that what was perhaps a mildly veiled threat did not color my own judgment on this issue.

I think it would be inadvisable for us to pre-position some thirty of these mighty floating arsenals all over the world. There is no limit to what it could eventually cost us. If we are engaged in a war with a nation using sophisticated weapons, these ships would be sitting ducks for submarines and aircraft. Escort ships would be required, and there is no way to ascertain at the present time just how much it would cost to protect each one of these ships in pre-positioned locations.

RESEARCH AND DEVELOPMENT

Although my statement already has run to probably excessive length, I must comment at least briefly on the $7.2 billion this bill provides in authorization of appropriations for research, development. text, and evaluation.

In reviewing the requests of the military departments and the defense agencies, the Secretary of Defense made reductions of about $900 million in these requests. The committee has decided to recommend no further reductions, although it recognizes that much of this effort is, by the very nature of research, unproductive.

Considering the $7.2 billion as a measure of research effort is misleading, because about $2.4 billion of this is for development work on systems that have already been approved for deployment.

Much of the rest of the R. & D. authorization is for development work less advanced than that on systems approved for deployment.

A more accurate measure of the effort devoted to the technology base for future weapons development is to combine the $409 million budgeted for research, one of the five sequential steps into which the Department organizes its R. & D. effort, with the $988 million budgeted for exploratory development, another of the sequential steps and the second most elementary of them.

In 1968, $27 million has been budgeted for the program started in 1967 that has the objective of broadening the geographic base of the Department's program of research conducted by colleges and universities. This program, which is styled THEMIS, was initiated in response to frequent congressional complaints against undue concentration of defense research in a few institutions of higher learning. Defense participation will at first be directed to participating in about 50 new centers of excellence in science and technology, with each center receiving support of not less than about $200,000 per year from the Department.

A detailed discussion of the major research and development that will be prosecuted next year would detain the Senate unreasonably. For those Senators who wish more information, there is some elaboration in the committee report and more in the hearings to which I invite your attention. I should point out, though, that for its part in maintaining four specific safeguards relating to the test ban treaty, the Department of Defense has budgeted $255 million in fiscal year 1968, compared with $224 million in fiscal year 1967 and about $238 million in fiscal year 1966.

Earlier in my remarks I commented that the size of this authorization and the amount of the whole Defense Department budget are substantially enlarged by our efforts in South Vietnam. But if we had never tried to help there, we would still need a large authorization of this type and in my judgment the defense budget would be in the 50 billions, at least.

In presenting the 1967 supplemental authorization and appropriations to the Senate, I tried to make clear my strong conviction that so long as our forces are committed in southeast Asia there is no alternative to unstinting support of those forces. Yet, we should not allow ourselves to become so preoccupied with events in that part of the world that we do not safeguard our even more vital interests elsewhere. The bill before the Senate is directed more toward general and varied military power than to a specialized capability without utility when the war in Vietnam is over.

Among the nations of the earth, each attaches an importance to defense that is proportionate to its valuation of its institutions, resources, traditions, and individual rights. The United States has more that is worth protecting than has any other nation, and I am thankful that our citizens are willing to pay the price of its defense. I trust this will always be true.

Mr. LAUSCHE. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. The distinguished Senator from Maine, who is the ranking minority member of the Committee on Armed Services, desires to make a statement. When she has finished, I shall be glad to yield to the Senator from Ohio.

Mrs. SMITH. Mr. President, I am glad to join the chairman of the Committee on Armed Services in urging the approval of the bill.

I hope the authorization and appropriations requested by the Department of Defense for fiscal year 1968 are enough to do what needs to be done. The Secretary of Defense informed the committee he had reduced the requests of the military departments and the Defense agencies for 1968 by $17.6 billion.

I suppose it is standard procedure to request a little more than you expect to receive in Defense, as elsewhere, but it is hard for me to believe that all the programs this $17.6 billion would have funded were recommended by responsible officials only in the expectation that there would be some reductions.

I think the committee has done the right thing in disapproving the initiation of what could be a costly new program for the construction of logistics ships that would be constantly deployed throughout the world.

Perhaps a few new ships of this type can be justified, but apparently the profit on the construction of a small number of ships would be inadequate to subsidize the construction of new shipbuilding facilities the Department of Defense considers necessary.

I would hope the Department might make further efforts to modernize existing shipbuilding facilities and that the existing shipbuilding industry could find a way to produce the needed ships at a reasonable cost.

The committee report contains an explanation of the reasons for including military assistance to South Vietnam, other free-world forces there, Laos, and Thailand in the budget of the Department of Defense. For some time I have thought the relationship between military assistance and functions of the Department of Defense is so close that authorizations for both should be considered by the same committee.

The action proposed this year is, in my opinion, a large step toward this objective. I am concerned, though, about what could be the very open-ended nature of this authorization.

The level of assistance provided to Laos and Thailand could affect the safety of U.S. forces in southeast Asia. For this reason I have not insisted on adopting a ceiling on the amount that may be furnished as military assistance.

It was with considerable reluctance that I joined in the committee's approval of the authorization with respect to the deployment of an anti-ballistic-missile defense system. I can give no assurance that I will do so again next year.

I am becoming more and more inclined to believe that the Secretary of Defense is right—but for the wrong reason—on this issue. I am not convinced that the state of the art on an anti-ballistic-missile defense system has reached a relatively static status.

I am not convinced that the state of the art has leveled off on a plateau to the extent that we can safely make the assumption that Russia is on such a plateau of development and does not have a potential—if not actual—capability of a completely different and more effective defense system than that on which present thinking is based.

I am not convinced that the ground placements of what may appear to be Russia's anti-ballistic-missile defense system are what they seem but that rather they may be decoys of classic deception designed to motivate us to a very costly defense system that may be obsolete or become obsolete in the near future.

Consequently, I am becoming more and more inclined to believe that the Secretary of Defense is right—but for the wrong reason—on this issue.

Obviously, this authorization and appropriations based on it are not all that the military departments and the Defense agencies would like. But I believe the programs this bill would authorize will add significantly to our military strength.

In supporting the bill, I want to acknowledge the great leadership and fairness of the chairman on this bill and the very admirable manner in which he conducts the work of the committee in a strictly nonpartisan character.

I also want to commend Mr. William Darden, the chief of staff of the committee, and the staff members who did such an excellent job on this legislation and on whom we are so dependent.

Mr. RUSSELL. I thank the distinguished Senator from Maine. She is one of the best informed and most valuable members of the Armed Services Committee.

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

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

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the pending bill.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order now to request the yeas and nays on the treaty, which has already been discussed.

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

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the treaty.

The yeas and nays were ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the pending business, the military authorization bill, be taken at 3:30 p.m.; that if any amendments are to be offered in the meantime, there be a limitation of debate on each amendment of 1 hour, the time to be equally divided between the proposer of the amendment and the manager of the bill, the Senator from Georgia [Mr. RUSSELL], and that rule XII be waived. I should have said that the vote will be held not later than 3:30 p.m., but I assume it will be around that time. I also ask that the vote on the treaty come immediately after the vote on the pending bill.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

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

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

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

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

THE GUAM WAR COUNCIL

Mr. YOUNG of Ohio. Mr. President, we Americans have always claimed with pride that we are the most revolutionary people in the world. In the past that was true. Unfortunately our policy in this administration has come to the sad situation where we are now regarded as the most unrevolutionary nation in the entire world.

The winds of freedom have been blowing throughout the world, especially in southeast Asia during the entire time from immediately following the end of World War II. They have been blowing in a manner and to an extent almost beyond belief.

The Guam War Council was supposedly for President Johnson, Secretary of State Dean Rusk, and other top administration officials to review with our military and naval leaders in Vietnam and our newly nominated Ambassador to Vietnam and his associates the progress of the war and to discuss future plans for the war. Unfortunately, our President included, or perhaps considered that he was blackjacked into including, Prime Minister Ky and the South Vietnamese chief of state of the militarist regime in Saigon. In our Revolutionary War when we wrenched our freedom by force from the oppression of England, there were thousands of American colonists in all of the Thirteen Colonies who opposed their fellow Americans who were asking liberation from Great Britain. The patriots who fought and won the Revolutionary War looked down upon and held in utmost contempt and termed "Tories" those who opposed their efforts of liberation.

Unfortunately in the miserable civil war in Vietnam in which we had been involved to a small degree by President Eisenhower and now in a gigantic way under President Johnson, we are supporting and upholding the "Tories" of South Vietnam against the forces of the National Liberation Front. At the Guam Conference, Ky, the flamboyant Prime Minister of the Saigon regime who was a pilot in the French colonial army at the time the French were oppressing his fellow countrymen, has been strengthened by the continuing endorsement of our administration.

The sad truth is that in June 1965, 10 generals overthrew the civilian government of South Vietnam in a coup and forced the then civilian President into exile. Who were the 10 generals? Nine of them were from what is called North Vietnam. These nine fought in the army of the French colonial oppressors seeking from 1946 to the time of their defeat at Dienbienphu on May 7, 1954, to reestablish by force the lush Indochinese empire which the French first achieved in the 19th century by their modern weapons and in an invasion overwhelming primitive, peaceful people. The forces of the National Liberation Front defeated the French and their auxiliaries by May 1954.

These nine Vietnamese tories then moved into the southern part of Vietnam and became officers in the armed forces of the Saigon government. These nine and one other general who had fought with the forces of the National Liberation Front in achieving freedom for the people living in the Indochinese colonial empire suddenly took over power in Saigon in June 1965, overturning the civilian government. They chose Air Marshal Ky as Prime Minister. Ky was born and reared in Hanoi. He was also a tory, being a pilot in the French Army. Our CIA agents and their armed forces backed this coup of June 19, 1965; else it would not have succeeded.

Mr. President, except for the power of the United States and the machinations of our CIA, Ky and the tories forming the military junta would have been ousted from office long ago. In fact, Ky would not last 2 weeks except for the might of the United States. Sooner or later—I hope it will be sooner—he will

enjoy life as a resident of the French Riviera. I interviewed Ky in South Vietnam and very definitely do not admire him.

The Guam conference will no doubt lead to sending in more American GI's to fight a land war in Vietnam. It will lead to more devastation of what is called North Vietnam. I say what is called north for the reason that over hundreds of years there has never been a North or South Vietnam. The Indochinese French colonial empire consisted of what is now Vietnam, both North and South, and Cambodia and Laos. It was not until the Geneva agreement of 1954, which we Americans agreed to, but which our representatives did not sign, that Vietnam was divided into two areas—North Vietnam and South Vietnam. The Geneva accords stated:

> The military demarcation line at the 17th parallel is provisional and should not in any way be considered as constituting a political or territorial boundary.

The reason for this demarcation division was that Ho Chi Minh and his forces were in power north of the 17th parallel, with no opposition whatever from other Vietnamese. He, in fact, was regarded as the George Washington of Vietnam and the liberator of his country from French oppression. South Vietnam was set up as a neutral state. The agreement provided for supervision of the Geneva agreement by an International Control Commission, composed of representatives of Poland, Italy, and Canada. It also provided for a neutral zone 6 miles in width to extend south of the 17th parallel. It was specifically provided that in 1956 an election would be held to chose a president of all Vietnam. Our puppet chief of state in Saigon, Diem, called off the proposed election. This, no doubt at the instance and direction of our CIA. Then the civil war again broke out.

In our Revolutionary War, when our patriots were fighting for liberation from England, early in 1776 Lord North of Great Britain for King George III paid thousands of pounds sterling to the Duke of Hesse-Cassel to purchase 10,000 or more Hessian soldiers, who were transported on English ships to America, where they fought beside the Redcoats to crush American rebels. Of course, the British fed and paid these mercenaries. These Hessian mercenaries fought valiantly against the American patriots at the Battle of Long Island, at Monmouth, Germantown, and, in fact, every major battle of the Revolution.

George Washington, on Christmas night 1776, crossed the Delaware River with a small force and marched on Trenton, surprising the Hessian mercenaries in the midst of their celebration, killing their commanding officer, General Rahl, and capturing 2,000 soldiers with their equipment. State Secretary Dean Rusk, who refers contemptuously to sneak attacks on the Vietcong as if surprise night attacks in war are something despicable, might term this a sneak attack by George Washington. I hope not. We Americans regard this as a great victory in the Revolutionary War and, in fact, a turning point in that war. At Saratoga, thousands of Hessians fought and then surrendered when the English general, John Burgoyne, was surrounded and forced to capitulate.

In our involvement in the war in Vietnam, we Americans have secured and transported on our ships more than 50,000 Korean soldiers and, in addition, 2,000 non-combat Philippine engineers. They have been armed, equipped, clothed, and maintained at our expense. Secretary of State Dean Rusk and Secretary of Defense McNamara would hotly deny that these 50,000 soldiers of the Republic of Korea and 2,000 engineers of the Army of the Philippine Republic are mercenaries. The facts are that in addition to paying these soldiers, we Americans clothe, feed, arm, and equip them. Our President increased the foreign aid from our Government to the Republic of Korea by $150 million last year as a quid pro quo for the commitment of this large and very fine fighting contingent of Korean soldiers. Their prize division, the 1st or Tiger Division, and other South Korean soldiers have fought most bravely, most courageously, and have demonstrated their combat readiness time and time again. Their losses in men killed and wounded have been considerable. Our aid to the Philippine Republic was increased by our President by $50 million a year when an agreement was accomplished with President Marcos, reversing the policy of his predecessor, who had refused our urgent requests that Philippine soldiers be sent to fight with us in Vietnam.

We, of course, transported the Philippine contingent to South Vietnam and are maintaining them there and paying them there. It is denied that these soldiers are mercenaries. Just what the distinction and difference is between them and the Hessians who fought against our American forces of liberation nearly 200 years ago is beyond me.

Assistant Secretary of State William P. Bundy, who was in Manila at that time, was reported by United Press-International as disputing my description of the Philippine noncombat engineers as mercenaries in exchange for increased U.S. aid to the Philippine Republic. He said American aid was being extended to the Philippines independent of any consideration of that nation participating in the Vietnam war, and reflected nothing more than deep concern for the progress of that country. Frankly, I would like to cross-examine him on that statement.

It is reported by Defense Secretary McNamara that approximately 45,000 soldiers of the Hanoi government have infiltrated across the 17th parallel into what is termed South Vietnam and are fighting with the VC against us in the American ground war that is now raging in Vietnam. If this figure is accurate as the maximum number of north Vietnamese soldiers fighting with the VC in South Vietnam—and he says it is—then that total number is thousands less than the total forces of the Republic of Korea and the Philippine Republic brought into South Vietnam by us. This is to say nothing whatever regarding the 4,000 Australians and the few hundred New Zealanders who have joined our American forces.

Furthermore, the Vietnam military authorization bill passed last year provided that beginning with fiscal year 1967 the cost of all "allied" military forces in Vietnam would be funded by regular Defense Department appropriations instead of through the military assistance program. The Korean and Filipino contingents have cost American taxpayers many millions of dollars. For some reason known only to Defense Department bureaucrats, they have listed the exact amount as classified information and I am not at liberty to reveal it at this time.

Mr. President, in this connection I recently received a very thoughtful letter from a captain of the U.S. Navy stationed in Vietnam or in the 7th Fleet off the shore of Vietnam. For the benefit of those who will be reading the CONGRESSIONAL RECORD and are unfamiliar with service rank, I should point out that a captain in the Navy is the equivalent of a full colonel in the Army or Air Force. This U.S. naval officer signed his name and APO address to his letter. He made no request that I should not disclose his name to any of my fellow Senators, and I shall gladly do so. In his very thoughtful letter, this high-ranking American officer points out the small contribution the Philippine and ROK soldiers are making to our efforts in Vietnam. This is not just a letter from a disgruntled serviceman, but an informative letter from a high-ranking officer in our Armed Forces. Believing that it merits the attention of all Members of the Congress, I ask unanimous consent, Mr. President, that this letter be printed in the RECORD at this point as a part of my remarks.

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

SAIGON,
March 11, 1967.

Senator STEPHEN M. YOUNG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR YOUNG: My friends and I are glad to read, in the morning Saigon Papers, that you have voiced thoughts on the value of Korean, and Philippino Troops, in the Vietnam War.

We appreciate your very wise conclusions on this matter, and agree with you 100%.

On the scene here we can especially appreciate the activity, and value of these troops, to the USA, in our endeavors for S. Vietnam.

We observe that the biggest operations of these troops, consist of buying in the U.S. Armed Forces PX stores, and immediately selling the same, on black market of S. Vietnam. They fill the PX stores usually so crowded with their people that it is difficult to walk, or to buy needed items in the stores—the shelves are completely depleted immediately by the Korean, Philippino Troops.

These people are given the full privileges of U.S. Troops, in rationed items, Radios, Watches, Televisions, Whiskey, Wine, Beer, Cameras, Movie Projectors, Tape Recorders, Typewriters, etc.

The U.S. Air Force flies them around S. Vietnam, where they demand to go, and gives them all their equipment, fighting and otherwise, for their comfort and benefits in S. Vietnam, Automobiles, Jeeps, Sedans, trucks, boats, etc. An article in local papers states USA recently gave them 25 Transport planes, for use in moving their Troop equipment, to and from Korea to Saigon.

The Koreans have LST ships moving regularly between Korea and S. Vietnam, to Move their politicians, Troop followers, merchants, and merchandise, sold to S. Vietnam merchants, plus returning to Korea all the pur-

chases made here in the PX stores, and other facilities.

I cannot read, or learn of any great contribution to U.S.A. War efforts or purposes here in S. Vietnam, by the Koreans. Their principal activity, as reported in newspapers is to build schools or other shacks for Vietnam refugees in their villages, or in like manner to do such related jobs. My observation has been that they are used principally as sentry guard duty etc around US Army Bases.

The same is true of the Philippinos, except they don't even pretend to be on military duty, and are not in the war actually as fighting troops. Yet they likewise are given all privileges of the U.S. fighting men in the PX stores and all other activities. I observe that they even pay their purchases at PX stores in their Philippino Currency, which of course is highly devaluated in foreign markets.

I have read lately the violent resentment by Congressmen of the Philippines, on many U.S. decisions, toward granting their country, more AID and more money for their projects, among which is their threat to withdraw the present Philippino forces from S. Vietnam, unless we equip forthwith some 6 Divisions of their Engineer Troops, employed in Philippine Island, with the full and latest equipment available in our Army.

My reaction to this is to have the present Philippino Troops in S. Vietnam returned to their country, and do not in any way allow any more of them to come to S. Vietnam, under any circumstances pertaining to request, or invitation of the U.S. Government.

Now we read that all this will commence again with Thailand Troops, and that we are up to our necks in dealings with that Nation—all of which makes me very sad, and apprehensive for the welfare of the USA, now and hereafter, and for our Children coming afterwards.

I would say this Senator, one sure way to reduce this trend of USA butting into the affairs of all other Nations, in an increasing manner, is to simply cut off the money. Those in Authority of USA would cheerfully give 100 Billion of our Dollars each year for such activity if unchecked.

I say Sir, that the time has come to stop this, and to live within our means, and spend just what we can afford, each year, and what we actually need for the USA with no concern or regard, whatever, for Putting the affairs of S. Vietnam in *Ideal* order, or for landing a man on the moon, or any place else, or for educating the world, through our CIA organization, or for the multitude of screw ball projects that our President has in mind in an unceasing flow of his fertile imagination.

Just dont give them the money, Sir, to do all this promoting, with. Dont give it any way shape or form, this year or next. Dont allow the National Debt to increase, or any other money grabs that our President and his advisers can cook up.

We feel here that the history of Indonesia, during the last 15 years, should serve as a guide for the USA, what to do, and what not to do, with other Nations undergoing expansion pains, and adjustments to the process of self Government. We got out after Sukarno kicked us out, and we left them jolly well alone to kill each other, and settle their own affairs, in their own native way, and they have done so.

Why not take a lesson from that chapter of our international relations, and leave these Orentials run their destiny in their own way, and mind our own business in USA, as the Lord knows we have plenty there to mind.

Thank you very much for your example in the Senate Sir, and do keep your position on S. Vietnam, and Korean Troops, and Philippino Engineers, firm and positive.

Mr. YOUNG of Ohio. I have withheld the name of this naval captain for obvious reasons. However, if any Member of the Senate wishes to see a copy of the original letter, I shall be glad to make it available to him.

Mr. President, it was a mistake in the first instance for our Nation to become involved in a civil war in a small far-off land which is of no strategic or economic importance to the defense of our Nation. Likewise, it is unfortunate that we have sought the assistance of soldiers from client nations. Nonetheless, facts are facts, and this is what we have done.

Mr. President, I am hopeful that before long we shall have extricated ourselves from this miserable civil war. We would do far better to help the poor, impoverished, hungry people of Korea and the Philippine Republic, rather than securing them as additions to our Armed Forces in Vietnam.

Mr. President, reading from the letter from this high-ranking officer, he says:

We appreciate your very wise conclusions on this matter, and agree with you 100%.

On the scene here we can especially appreciate the activity, and value of these troops, to the USA, in our endeavors for S. Vietnam.

We observe that the biggest operations of these troops, consist of buying in the U.S. Armed Forces PX stores, and immediately selling the same, on black market of S. Vietnam. They fill the PX stores usually so crowded with their people that it is difficult to walk, or to buy needed items in the stores—the shelves are completely depleted immediately by the Korean, Philippino Troops.

These people are given the full privileges Watches, Televisions, Whiskey, Wine, Beer, Cameras, Movie Projectors, Tape Recorders, Typewriters, etc.

Then he goes on and says:

The Koreans have LST ships moving regularly between Korea and S. Vietnam, to Move their politicians, Troop followers, merchants, and merchandise, sold to S. Vietnam merchants, plus returning to Korea all the purchases made here in the PX stores, and other facilities.

The same is true, this officer then states, of the Filipinos:

Except they don't even pretend to be on military duty, and are not in the war actually as fighting troops. Yet they likewise are given all privileges of the U.S. fighting men in the PX stores and all other activities. I observe that they even pay their purchases at PX stores in their Filipino Currency, which of course is highly devaluated in foreign markets.

I hope the entire letter of this fine officer will be read by my fellow Senators.

Mr. President, to continue and to bring my remarks to a conclusion, the first announcement of the Guam Conference indicated that the President had in mind a quick trip to Guam for an American council of war with General Westmoreland, Ambassador Lodge, Ambassador-designate Bunker, their aides and the admirals of our Navy, including the commanding officer of the 7th Fleet, to counsel together. The President evidently did not reckon with that flamboyant character Prime Minister Ky, who announced that he and his staff and also Chief of State Thieu would attend. Here were two undesired guests and all their attachés. This was most unfortunate.

Ky could not remain in power in Saigon for a week except for our Armed Forces and CIA. He and the generals of the Saigon regime rigged the election to the constituent assembly. They barred what they term as "neutralists" from participating in the election. There were 6,000 Buddhists, for instance, who did not participate. The military junta and Ky have resisted land reform and pacification of South Vietnam. The President, by finally inviting Ky to participate at the Guam Conference—I cannot read the President's mind, but I feel strongly about it, and I feel sure that his belated invitation was extended because Ky sounded off—unfortunately, has probably assured Ky's election as president, particularly so that "neutralists" will be kept from voting as they were last year. It is most unfortunate that officials of our executive department from the President down cater to Ky, despite the fact that Ky again announced to the world that representatives of the National Liberation Front, or Vietcong, would not be permitted any place whatever at any peace conference. This pipsqueak who is unworthy to be prime minister of any nation, it seems to me—and I have talked to him personally—lays down a condition that the Vietcong will not be permitted to have delegates at any peace conference, and that he will not sit down with any representatives of the VC, despite announcements from our President that he wishes a political settlement of the war, without any conditions.

It seems evident that thousands more men of our Armed Forces, perhaps 50,000 or 100,000 more, will be committed to fight this American war in South Vietnam. Prime Minister Ky loudmouthed in addition—and that must have embarrassed our President—at Guam, that we should invade Cambodia and Laos, blockade Haiphong and fight on to a military victory. How long will our President stand for him? Ky's "friendly forces" do nothing much except desert each month by the thousands. The South Vietnamese Army of Prime Minister Ky has waged no offensive whatever in many months. They have failed to hold areas we have cleared. It is evident the people of South Vietnam know that Ky is on the side of the landlords and of the privileged class of South Vietnam. While he is maintained in power by the might of the United States it is evident that the Vietcong will continue to fight for their lives and for their liberty against foreign aggressors. Very definitely our unfortunate position in South Vietnam is that of the French aggressors in 1954 who were trying to regain their lush Indochinese Empire from men and women who had their first taste of freedom following the end of World War II.

If our President had rebuked Ky and denounced his belligerent boasts and had gone ahead with a council of war with our generals and admirals in Guam, then the door might have been opened somewhat, leading to an honorable end to this terrible struggle.

He failed to do that, and it seems evident that what lies ahead is a greater involvement of American youngsters, more loss of priceless American lives, and a prolonged and enlarged and more bloody conflict.

Mr. President, the informative letter from the U.S. Navy captain in Saigon, to which I have referred, contains impor-

tant and startling comments. I hope that all my colleagues will read the letter.

Mr. President, I yield the floor.

MILITARY PROCUREMENT AUTHORIZATION, 1968

The Senate resumed the consideration of the bill (S. 666), a bill to authorize appropriations during the fiscal year 1968 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and research, development, test, and evaluation for the Armed Forces, and for other purposes.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor and that after the quorum has been concluded I be recognized.

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

Mr. JAVITS. 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. JAVITS. 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. JAVITS. Mr. President, I realize that we are not involved in any great controversial matter. I have no desire to make it one, but rise only because of a recital in the commitee report at page 5 which deals with the question of the development of an antimissile missile.

Mr. President, I am entirely in accord with the idea of authorizing the expenditure which the committee is authorizing for this purpose. I point out, of course, that as I understand it, the previous authorization has not yet been utilized for the purpose, but, be that as it may, the committee is exercising its discretion, and I have no objection to that.

What brings me to my feet is a declaration of policy by the committee, and I do not say this from any adversary sense, but I cannot subscribe to the policy which the committee outlined. I think it is incumbent upon any of us who feel that way to make it clear that we do not agree, and that in voting for this authorization, we are not adopting the particular policy which the committee expresses as its own.

I hasten to add that it is not unusual for a committee to express its point of view. The Appropriations Committee does so on occasion for whatever effect it may have. But in this particular case, as far as the major policy issue is concerned, I rise by way of a caveat to say that I do not believe the committee expression should be binding on me and, obviously, it is not binding on the Senate.

The real question at issue is that the committee proposes in its judgment to say that they would like negotiations between the United States and the Soviet Union to eliminate the requirement for an antimissile missile. Presumably, the Soviets would halt their activities in this regard as a result of negotiations.

I notice, however, that the committee gives itself an out as to the kind of agreement that would be satisfactory to it by saying: "that fully protects the security interests of the United States."

That would not be just any agreement, but it would be an agreement that in their opinion would "fully" protect the security interests of the United States.

I assume that an agreement of that character would be subject to ratification by the Senate and that that would probably conclude the matter. I will not dwell too much upon that.

I would like to turn attention to the policy issue—when and if to deploy ABM's and the timing thereof. The committee does not believe we should leave the time for negotiations on this matter with the Soviet Union undeterminate.

The committee uses the words, "agreement within a reasonable period."

The committee then says: "the committee strongly believes the United States should begin procurement for deployment of an antiballistic missile defense system," in the event that no agreement is reached within that "reasonable period."

It is well known that there is great argument in the country as to that. Many argue that even if the negotiations do not succeed, it would not be advisable and desirable in strategic terms to deploy an antimissile system; that it would cost much without providing significant additional security.

The committee gives us some choices on pages 4 and 5 of its report as to what they call a "thin" antiballistic missile system with a certain price tag on that and on the various choices as to the more inclusive ones. That question, of course, is left for further decision, but in any case the committee makes it very clear that it is the view of the committee that we should begin procurement within a reasonable period if we cannot reach a satisfactory agreement.

I believe that even if the negotiations do not succeed, I would wish to evaluate the strategic implications involved in such an antiballistic missile system at that time.

The other point that the committee makes—in the same paragraph on page five—is:

> In the view of the committee our negotiations with the Soviet Union should include consideration of the desirability of our deploying a "thin" ABM defense against such threats, or those that might be posed by future nuclear powers.

Mr. President, I very much doubt that it would be a proper element of negotiations with the Soviet Union to indicate the desirability on our part of deploying an antiballistic missile defense system against these other unspecified, but obviously Chinese Communist, threats.

I doubt very much that it would contribute to those negotiations and that it would be desirable or, indeed, appropriate as to the decision we will have to take if the negotiations do not succeed.

Mr. President, for those reasons I state my reservation on the record and I qualify my vote by making it clear that such statement cannot and does not—and, of course, the committee does not purport that it does so—bind the Senate. But I just wish to make it clear that in voting for this authorization, as I will, I am not subscribing to this policy.

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

Mr. JAVITS. I yield.

Mr. RUSSELL. I did not understand what part of the report the Senator is complaining about. Is the Senator in favor of an agreement that does not protect the security interests of the United States?

Mr. JAVITS. Of course not. I am in favor of an agreement, and in favor of an agreement that protects the security interests of the United States. But I am not in favor of leaving it to the Committee on Armed Services to judge for me whether an agreement arrived at does protect the security interests of the United States.

I am not complaining about anything. I say that this committee has a perfect right to write what it did. The only thing I am guarding myself against is the understanding that when I vote for this authorization, I am not voting for the committee policy; I am voting for the authorization. It does not bind me, and it does not bind the Senate.

Mr. RUSSELL. The Senator from New York well knows that it could not bind the Senate, that any treaty in this area would have to be submitted by the President of the United States to the entire Senate, and that perhaps it would not even be considered by the Committee on Armed Services.

It is not unusual for a committee to express its views on these matters. I notice that some of the most voluminous reports we have are from the Committee on Labor and Public Welfare, which goes into the most minute detail on what it expects to be done. I do not feel bound by every statement in such reports.

Unless there is a question of legal interpretation in the courts, the committee's views in the reports are obiter.

Frankly, I do not see anything that is so drastic in these recommendations. The President has said that he wants to have these negotiations, and he asked for this money to go into this bill. The committee did not originate this appropriation this year; the President did, because he wished to have these negotiations.

I do not see anything that is drastic in just expressing the view that even if we have an agreement with the Soviet Union, we should not lose sight of the fact that Communist China is now a nuclear power; and I am sure the Senator from New York would not want us to close our eyes to that fact.

Mr. JAVITS. I have called the attention of the Senate to that fact, and I have spoken about it and have cast many votes on the strength of it, and will do so again.

All I am attempting to do is this: I know that this is a hot issue in the Defense Department, and it is a very hot issue in the country. Therefore, to leave this statement in the report, without anybody saying anything about it, might conceivably give the implication, by silence, that we all agreed and went along. The vote will be overwhelming,

perhaps unanimous—as indeed it deserves to be, from that point of view. I wish to make it clear for myself as to how I interpret what is stated, even after the vote, and to state the obvious—which sometimes has to be stated—that it represents the view of a committee and is not binding on the Senate, even after the vote.

I point out, with all respect to my colleague, the Senator from Georgia, that on occasion he has found himself in the same position in which I find myself, in respect of a report from the Committee on the Judiciary or from the Committee on Labor and Public Welfare or some other committee. He wants to be sure that he has divorced himself from that part of it. Sometimes the Senator might speak, sometimes he might not.

In this particular case, because it is a matter of great public interest, I am of the opinion that I should make my own view clear. I find no fault whatever, and I believe if the Senator will read my remarks—I am sure he listened to them carefully——

Mr. RUSSELL. I returned to the Chamber while the Senator from New York was speaking.

Mr. JAVITS. I said that I find no fault. The committee has every right to do as it has. I am making clear my own position and my understanding that this does not bind the Senate.

Mr. RUSSELL. Any Senator has a right to express his views contrary to anything that may appear in a committee report.

I think this report is not greatly in conflict with the general line that the President expressed in his message, when he said that he asked for this money but has no intention of spending it if he can agree with the Soviet Union on a policy with respect to the construction of antimissile systems.

Mr. JAVITS. I understand that, and I was taking it one step further, pointing out that even if he did not arrive at any agreement, my understanding is that he still does not have to spend the money; whereas, the committee felt rather strongly that he should.

Mr. RUSSELL. Yes, that is true. Of course, I do not think that he will spend it. I doubt very much that they will get a treaty that will protect the interests of the United States. Knowing as I do the high regard for the opinion of the Secretary of Defense that is entertained by the President of the United States, I doubt very much that the President would ever spend a dime, no matter how much is appropriated, unless Mr. McNamara came around to a change of views on his part. The President takes the McNamara line very literally in defense matters.

Mr. JAVITS. I thought there was enough to the McNamara line, without necessarily being 100 percent committed to it, to say what I did.

I thank my colleague.

Mr. CLARK. Mr. President, may I have the attention of my good friend, the Senator from Georgia, for a moment.

I understand that the $377 million which is in this bill for an antiballistic missile system is not intended for deployment but really for procurement. Is my understanding correct?

Mr. RUSSELL. Mr. President, I do not think if you put a billion dollars in the bill you could deploy an antiballistic missile system in fiscal year 1968. This is to begin a procurement program that looks to the deployment of an antimissile system.

Mr. CLARK. It is to purchase Spartans and Sprints?

Mr. RUSSELL. This is to purchase the ability to produce an antimissile system.

Mr. CLARK. And no part of this money is intended, in fiscal 1968, to deploy anything?

Mr. RUSSELL. I think that is impossible. I would that we could, because I think the Russians are way ahead of us in this particular area, and I do not think that we are ever going to get an agreement, so long as they have a system and we do not. But I tell the Senator, regretfully, that no system will be deployed in 1968. I wish that it could be.

Mr. CLARK. I thank my friend, the Senator from Georgia.

I share the views of the Senator from New York [Mr. JAVITS], that I am not in accord with the views expressed by the committee in its report on page 5, where it says, in effect, that if an agreement cannot be concluded within a reasonable period, the committee strongly believes the United States should begin procurement for deployment of an antiballistic missile defense system.

My reasons for agreeing with the Senator from New York and for disagreeing with the Sentor from Georgia are as follows:

The Subcommittee on Disarmament of the Committee on Foreign Relations, of which subcommittee I am a member and the Senator from Tennessee [Mr. GORE] is the chairman, has just completed the first phase of hearings on the general question of what the United States should do about the Russian deployment of antiballistic missiles around Moscow and the so-called Tallinn system which may have some antiballistic missile potential elsewhere.

The witnesses we heard included Richard Helms of the CIA; John Foster of the Defense Department; Dr. May and Dr. Bradbury, both of whom are expert in the atomic energy phases of the antiballistic missile question; Cyrus Vance; General Wheeler; and Secretary Rusk.

I came away from these hearings convinced that Secretary McNamara is correct in his judgment that the United should not, at the moment, deploy an antiballistic missile system. Senators will also recall that the Panel chaired by Jerome Wiesner on Arms Control and Disarmament at the White House Conference on International Cooperation, which was held in November and December a year ago, came to the same conclusion.

Since Kosygin has now agreed to discuss the limitation of both offensive and defensive nuclear weapons, and since it is quite clear that the present Russian systems are quite incapable of repulsing anything save the most primitive missile attack on Moscow or any other Russian installation, I believe the joint judgment of Secretaries McNamara, Rusk and the President is correct.

The fact of the matter is that our own Nike X is also vulnerable to a missile attack in the strength the Russians could bring to bear on it, no matter where our defenses are located.

Therefore, I cannot agree with the statement made by a very distinguished American expert in the field of disarmament that it is fatuous for us to imagine that the Russian system is not appreciably effective. On the contrary, the intelligence experts whom we heard in subcommittee were unanimously of the view that we could destroy Moscow or any other Russian installation tomorrow despite the antiballistic missile systems they have deployed.

Nor do I agree that we simply do not know what the Soviets have accomplished. The witnesses we heard were all of the view that we know quite well the capability of the Russian antiballistic missile system. While I am not a scientist, the simple explanations they gave us as to why this is so were quite convincing to me.

While we do not know for certain what the Tallinn system really is, it is certainly no more effective than the Moscow system and, more likely than that, is intended primarily to defend against high-flying aircraft carrying missiles rather than being an antiballistic missile system.

The difficulty with our deploying the "thin" system is that it would be ineffective against anything other than a very primitive missile attack and would commit us to another extremely expensive round of escalation of the cold war.

Nor can I agree that it is important for us to have a "shield as well as a sword," largely because the shield according to the experts is quite ineffective. While it is possible that further research and development will develop a reasonably good antiballistic missile, nothing of the sort could be deployed for a number of years and, even then, would be unlikely to be comprehensive enough to guard the major centers of population against a sophisticated attack with weapons now in the possession of the Soviet Union.

So far as agreement with the Soviet Union is concerned, I suggest there is a real possibility, in connection with the nonproliferation treaty, of some turn downward in offensive nuclear capability coupled with an agreement not to further deploy antiballistic missiles. Some of the neutrals are, in my judgment, unlikely to sign a nonproliferation treaty unless there is some concession made by both the U.S.S.R. and the United States toward turning the nuclear arms race downward. Frankly, why should they? I am hopeful that the recent progress made at Geneva and New York can be accelerated in the coming talks between Ambassador Thompson and the Russians in Moscow.

In the meanwhile, I am no more concerned than Secretary McNamara, Secretary Rusk, and the President that we may be creating "an antiballistic mis-

sile gap." The offense is still far ahead of the defense in this regard if the experts we have been listening to are to be believed.

As to the reaction of Western Europe if we do not immediately deploy an antiballistic missile system, I do not think the Europeans, who have their own astute scientists, are apt to believe the Soviets have broken through in the defensive missile field while we have not.

Therefore, I do not give much concern to the opinion expressed by some European scientists in this regard. I am very much concerned about the cost of this deployment, but I am more worried about the political and psychological effects of an antiballistic missile system in the United States.

This "thin" system, which has been suggested to protect 25 to 50 cities at a cost of $20 to $40 billion is, in my opinion, unwise and logically deceptive.

It is generally conceded that a "thin" antiballistic missile system would no more protect one of our cities from an all-out Soviet attack than Moscow is presently protected by the Soviet antiballistic system from an all-out American attack.

The offensive capability of the Soviet Union could simply overwhelm our presently available "thin" defense strength. The Soviets could probably build new and more effective missiles faster and cheaper than we could build a really effective antiballistic missile system.

It is incredible to me that such a system could be held to 25 or 50 cities.

Was any Pennsylvania city in the original list of 25 cities? Charleston, S.C., was. I wonder why. Everybody in this Chamber knows why.

[This portion was subsequently deleted on motion.]

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

Mr. CLARK. I shall yield at the conclusion of my speech. I regret that I cannot yield at this moment.

[This portion was subsequently deleted on motion.]

Mr. CLARK. Both Pittsburgh and Philadelphia are included in the list of 50 cities. But what do I say to my constituents in Reading, Allentown, Bethlehem, Lancaster, Scranton, Erie, and Harrisburg and the other cities, as to why they must go without protection.

In a democracy the suggestion that we can confine protection to our major cities, letting the rest go without defense, is not politically feasible. Nor am I content to permit the Joint Chiefs of Staff, or even the President, to determine the cities to be protected. Moreover the war psychology which inevitably would be engendered from the installation of antiballistic missiles around our major urban centers and the construction of a comprehensive fallout shelter system that would be necessary to give protection, are results I hate to contemplate.

To me an effort to negotiate a commonsense agreement with the Russians is a far more hopeful course for saving our civilization than embarking on another round of cold war escalation.

My entire argument on the antiballistic missile issue is based on the assumption that, for the foreseeable future, neither the United States nor the Soviet Union can devise an antiballistic missile defense capable of protecting either their missile installations and cities or our cities. Furthermore, I believe the United States will acquire enough technical information about antiballistic missile systems from an active antiballistic missile research program to overcome any Soviet antiballistic missile defense. Conversely, I find it hard to understand what we can learn about antiballistic missiles by installing, at great expense, a system in the United States that cannot be tested. I am convinced by the testimony I have just heard that this is so. Accordingly, while I am content to vote money for further research and development, and even long-range procurement, as set forth in the bill, I believe we should not attempt to deploy an ineffective system of antiballistic missiles as a counter to the Russian equally ineffective system. The rewards are too slight, the punishments too great.

The subject requires study, and that is what the subcommittee of the Committee on Foreign Relations is trying to give it.

I agree with the Senator from New York [Mr. JAVITS] that we should not take the word alone of the Committee on Armed Services, high though my regard is, not only for every member of that committee, but also for its very distinguished chairman. This is a matter which has vast diplomatic and international relations and political implications, and should not be decided because the Committee on Armed Services agrees with the Joint Chiefs of Staff and disagrees with the Secretary of Defense and the President.

Mr. President, a word was said by my friend, the Senator from Georgia [Mr. RUSSELL] about the threat of China.

To me, this comment ignores the most important factor with respect to China; namely, that China has no air force and is not by way of getting an effective air force. Today, our armed bombers coming from Guam or Okinawa, or even Thailand, could obliterate overnight, against any type of antiaircraft missile the Chinese could bring against them, the entire Chinese nuclear installation. Thus, the thought of spending billions of dollars to protect 25 or 50 cities or even to give a thin screened offense—we probably could knock down the first missile but the second, third, and fourth which was shot in there within a short time would come in—is an expenditure which cannot possibly be justified.

Mr. President, I say that I hope very much the Senate will not go on record—and it need not—and I will not ask it to—as endorsing the comment made in the report of the Armed Services Committee to the effect that they strongly believe, under certain circumstances, we should deploy an ABM system.

I am now glad to yield to the Senator from South Carolina [Mr. THURMOND], but I see he has left the floor.

Mr. President, I yield the floor.

Mr. THURMOND. Mr. President, is the Senator from Pennsylvania making the insinuation in his statement that the reason Charleston was included in the ABM system—if it is to be included—is that the chairman of the House committee is from South Carolina?

Mr. CLARK. I certainly inferred as much. That, however, is not my view——

Mr. THURMOND. Mr. President——

Mr. CLARK. Alone. That has been——

Mr. THURMOND. I remind the distinguished Senator from Pennsylvania that he is violating the rules of the Senate when he makes such a statement.

Mr. CLARK. I suggest to the Senator from South Carolina that——

Mr. THURMOND. Mr. President——

Mr. CLARK. Mr. President, I refuse to yield further to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. CLARK. I refuse to yield further to the Senator from South Carolina. I would be happy to——

Mr. THURMOND. Mr. President, I call the Senator's attention to——

Mr. CLARK. Mr. President, I do not yield——

Mr. THURMOND. Mr. President, I call the Senator to order for talking against a Member of the House of Representatives, under rule XIX.

The PRESIDING OFFICER. The Senator from Pennsylvania, under rule XIX——

Mr. CLARK. Mr. President, I suggest that rule XIX, section 2, permits the Senator from South Carolina to ask me to take my seat. Does the Senator from South Carolina ask me to take my seat? I address a query to the Senator from South Carolina: Does he request me to take my seat under rule XIX, section 2?

Mr. THURMOND. Mr. President, it is clear that it is improper for a Member of the Senate to reflect on a Member of the House. The essence of the statement made by the Senator from Pennsylvania was that Charleston was included here because the chairman of the Armed Services Committee, Representative RIVERS, is from South Carolina, therefore, it is a violation of the rule.

Mr. CLARK. Mr. President, since I have yielded the floor, a ruling is unnecessary.

Mr. THURMOND. If he wants to take that weak position and not be a man and take his medicine, well and good, let him go.

Mr. JACKSON. Mr. President——

The PRESIDING OFFICER. Will the Senator from Washington withhold for just a minute. The Chair wishes to read from the precedents of the Senate. Jefferson's manual refers to this point with respect to reference to members of different bodies, that there is no particular, specific rule with reference to the other members under the rules of the Senate. It is only a question of propriety or impropriety.

The Chair refers to page 314 of Senate Procedure.

The Senator from Washington is recognized.

Mr. THURMOND. Mr. President, I would like to get a ruling on this point. Since this is a violation of the rule—did the Chair rule that it was a violation?

The PRESIDING OFFICER. No. The Jefferson Manual referring to Members

of the House does not apply in the Senate. There is no specific rule with reference to Members of the House. It is only a question of propriety or impropriety under the precedents of the Senate, which does not allow Senators to refer to Members of the House in opprobrious terms or to impute to him unworthy motives.

Mr. THURMOND. My interpretation of the rules heretofore has always been that it was a violation. Is the manual not clear on that point?

The PRESIDING OFFICER. The Jefferson's Manual is not a part of the Senate rules. I am reading this now as it comes from the Parliamentarian.

Mr. THURMOND. On page 315 it says:

> It is also a violation of the privilege to refer to the individual character or to the acts or conduct of members of that body.

Under that, it would seem that it is held to be out of order for a Senator to make reference to Members of the House.

I would ask the Parliamentarian for a ruling, if the Presiding Officer would call upon the Parliamentarian.

Mr. RUSSELL. Mr. President, may I inquire, who has the floor?

Mr. President——

The PRESIDING OFFICER. The Chair would rule that under rule 19, section 2, the only penalty is that the Senator take his seat. The Senator has already taken his seat.

Mr. THURMOND. The Senator has already taken his seat.

Mr. President, I move that all reference to Representative RIVERS, the chairman of the House Armed Services Committee, by the Senator from Pennsylvania be stricken from the RECORD.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina that all reference to Representative RIVERS, the chairman of the House Armed Services Committee, be stricken from the RECORD.

The motion was agreed to.

Mr. JACKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Washington will state it.

Mr. JACKSON. Are we under controlled time?

The PRESIDING OFFICER. No.

Mr. JACKSON. I thank the Chair.

Mr. President, I want to take about 5 minutes to congratulate the distinguished chairman of the Senate Armed Services Committee for his able and discerning handling of this huge Defense procurement authorization bill, which affects the expenditure of more than $20 billion. Senator RUSSELL'S thoughtful consideration of the mountains of detail in this bill will be reflected in a better-equipped, more secure America.

Because of my duties serving as chairman of a hearing being conducted by another committee, I was unable to attend the final markup and committee approval of this bill last Thursday. I would like at this time to make certain comments that I would have expressed in that meeting relative to the Navy's proposal for the construction of the fast deployment logistics ship, known as the FDL.

This is a highly specialized, large, high-speed vessel which can store heavy equipment and supplies in a controlled environment for long periods. It is designed to rapidly offload its cargo in ports, or over the beach, if required, to provide support for troops airlifted by the new C–5A aircraft. These ships would be deployed to strategic locations around the globe, providing a quick delivery to crisis points.

The Navy has embarked on a new procurement practice for the FDL with industrial participation in the ship design and a total package contract. Secretary Nitze testified to the Senate Committee:

> This new approach to shipbuilding is, in many ways, a major departure from our past practice, and much effort will be needed to realize its potential advantages.

I regret, Mr. President, that the committee last Thursday elected to delete from the Defense procurement bill the Navy's request for $297 million for seven FDL's and to urge that funds authorized earlier for two such vessels be diverted to other uses.

I would like to point out that the Joint Chiefs of Staff recently endorsed and urged approval of the entire rapid deployment program, and, specifically, the FDL ships. Three members of the Joint Chiefs testified strongly in support of the program in hearings before the House Armed Services Committee last week.

The state of our Nation's shipyards is also a factor that must be given the strongest consideration in our review of this new program, which would call for a marked updating and modernization of the yard that would win this contract.

The U.S. shipbuilding industry compares poorly with many of its counterparts abroad. Tables provided me accent this. Sweden, in a recent 5-year period, trailed the United States in improvement in value added per production worker in all manufacturing by 22 percent. Yet the Swedes, on the same scale, improved their production worker value in shipyards by 52 percent, while the U.S. improvement was only by 21 percent. In U.S. shipbuilding, the average man-hours per steel-weight-ton is more than three times that of Japan and more twice that of Sweden. Comparable figures of 1960 showed U.S. man-hours appreciably higher than Sweden and Japan, but the margin was not so great. In other words, Mr. President, U.S. shipbuilding is not only trailing progressive foreign yards, but it is clearly falling further behind as the years go by.

Foreign shipbuilders have increased productivity through series, production facilities, use of block and prefabricated sections, early outfitting and improved planning and scheduling—all elements of the proposed FDL procurement plan.

Short of outright subsidies to United States shipyards, the Navy contends that the way to modernization is to provide contracts involving long series production, thereby encouraging private capital investment to reduce production costs.

The FDL presents such an opportunity, as do the single awards of 17 LSTs and 20 destroyer escorts to individual yards. I am advised that there is a planned award of the total multipurpose Amphibious Assault Ship—LHA—to a single contractor and additional long-term contracts for major fleet escort replacements.

If the established shipbuilding industry is afforded the opportunity to compete to build standardized ships in volume, it can be expected that facilities and methods will be modernized and costs reduced.

I am pleased that the Navy recognizes, and is willing to take steps to alleviate, the inadequacy of our nation's shipyards, both private and public. The Navy is presently embarking on a program to completley modernize the Naval Shipyards with a 5-year program costing more than $600 million.

I suggest, Mr. President, that if the House of Representatives acts to retain the Navy's authorization request for the FDL's in the procurement legislation it is considering, that this item be retained in the conference of the two bodies.

While the FDL program alone should be carefully weighed as to its desirability, I feel that it must also be considered in the context of a failing domestic shipbuilding industry.

Mr. HOLLAND. Mr. President, I noted with interest that the distinguished Senator from Washington [Mr. JACKSON], in concluding his remarks, referred to a matter to which I was going to address myself briefly, the so-called FDL shipbuilding program. I note that the distinguished chairman of the Armed Services Committee, the senior Senator from Georgia [Mr. RUSSELL], covered this subject very ably in his prepared statement, under the heading of "Airlift and Sealift." I assume the RECORD will carry that statement exactly as it appears in his prepared statement.

Mr. RUSSELL. I hope and trust it will.

Mr. HOLLAND. I thank the distinguished Senator for making that clear. I note, however, in the report of the committee, under the heading "FDL's," as shown on pages 5 and 6 of the committee's printed report, there is an even more exhaustive statement of the action and thinking of the committee, and the reasons for it.

I have been particularly interested to note the provision made for this program in former years, the fact that the program was not proceeded with, and other matters set forth in some detail in the committee report.

Unless there be objection, I am going to ask to have printed in the RECORD that part of the committee report appearing on pages 5 and 6, under the heading "FDL's," as a part of my statement at this time. I hope that will be done.

The PRESIDING OFFICER. Is there objection?

Mr. RUSSELL. I shall be happy to see that done.

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

FDL's

The committee recommends a reduction in the authorization of appropriations for the

construction of naval vessels in the amount of $301.1 million. This action reflects the committee's decision to disapprove the construction of a new class of fast deployment logistics ships.

The Department of Defense proposed the procurement over a period of several years of as many as 30 of these ships, which would be deployed throughout the world with heavy combat equipment embarked to facilitate a prompt reaction whenever and wherever there was a decision to commit U.S. forces abroad. In concept, our ground forces would be flown to the trouble spot and the heavy equipment would already be there. The ships would be procured from a single contractor over a period of several years by using the total package procurement technique. The estimated cost of procuring 30 of these ships is more than $1 billion and the cost of operating them over their useful life is approximately $1 billion.

The committee is unconvinced that a program of such cost is justifiable. The ships would be constantly deployed in forward areas. Near a combat zone it would be necessary to provide antisubmarine escorts or antiaircraft protection, or both, for the vessels, thus increasing the costs of the system. Beyond the cost, the committee is concerned about the possible creation of an impression that the United States has assumed the function of policing the world and that it can be thought to be at least considering intervention in any kind of strife or commotion occurring in any of the nations of the world. Moreover, if our involvement in foreign conflicts can be made quicker and easier, there is the temptation to intervene in many situations.

In those locations where the United States is by treaty or other commitment obligated to resist aggression, there are other possibilities for providing the heavy equipment needed by our ground forces. In some of these locations, such as Western Europe, the heavy equipment is pre-positioned on land. The Committee was informed that the C–5A, a new large jet transport now under development, will be capable of carrying 98 percent of the heavy bulky equipment ground forces require for maximum combat effectiveness.

In the shipbuilding program for fiscal year 1966 the Department of Defense sought authorization for the construction of four of these ships. At that time the Committee recommended, and the Congress approved, a reduction of the authorization to two ships and indicated in its report (S. Rept. No. 144, 89th Cong., first sess.) the Committee's doubts about the justification for constructing large numbers of ships that would be limited to the pre-position role. The authorization and appropriations for the two ships in the fiscal year 1966 program have not been used. The Department proposed this year to combine the 1966 funding with the additional amount needed to procure seven of the ships initially. The amount requested for authorization was $233,500,000, of which $55.5 million was intended as a contingent contract cancellation payment if more FDL's were not approved for procurement in future years.

The committee recommends $67.6 million of the unobligated funds for the FDL's in the 1966 program be applied to the construction of other vessels in the 1968 program. Consequently, a reduction of $301.1 million in the Navy's shipbuilding authorization has been made.

Mr. RUSSELL. As the Senator pointed out, Congress did make authorization and appropriation for these ships in fiscal 1966, and the Department of Defense took no steps to proceed.

Mr. HOLLAND. I thank the Senator for his understanding of this matter. My reason for making the statement is that there is a very great interest in nearly all the large ports where there is shipbuilding, at least on the Atlantic side, in this program. The proposal has been generally discussed. I think the record of the debate should show as much information as is available at this time. That is the reason for my request.

I thank the Senator from Washington [Mr. JACKSON] for having mentioned the same subject, because the discussions will show that the committee gave most earnest attention to this subject and will show the reasons for the action it took. I am sure that the action was not easy, because the great ports and shipbuilding cities in the States of the Senator from Georgia and the Senator from Washington, and the Senator from Florida, as well as States represented by many other Senators, are immensely interested in this program. This debate will show the whole story in a way that will be helpful to the committee and the entire Congress.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. BYRD of West Virginia, and by unanimous consent, the Subcommittee on Minerals, Materials, and Fuels of the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

MILITARY PROCUREMENT AUTHORIZATION, 1968

The Senate resumed the consideration of the bill (S. 666), a bill to authorize appropriations during the fiscal year 1968 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and research, development, test, and evaluation for the Armed Forces, and for other purposes.

Mr. JAVITS. Mr. President, I note that in Foreign Affairs Quarterly for April 1967 there appears an article by a distinguished writer, Mr. J. I. Coffey, on the antiballistic missile debate, the very thing we have been talking about. As I think it will add to the knowledge of our colleagues, I ask unanimous consent to include it in the RECORD as a part of my remarks. By way of description, Mr. Coffey, is a former Army officer, who served in the State and Defense Departments and on the White House staff, and is currently chief of the Office of National Security Studies, Bendix Aerospace Systems Divisions.

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

THE ANTI-BALLISTIC-MISSILE DEBATE

(By J. I. Coffey)

One of the great problems in arms control is that advances in technology, and their application to military programs, tend to invalidate or render meaningless even the soundest arms-control proposals. Twice in the last decade this has occurred, once when the diffusion of nuclear technology and the production of large numbers of nuclear weapons rendered futile any hope of complete nuclear disarmament, and again when the advent of intercontinental missiles made necessary a rethinking of all the proposals for limiting or abolishing strategic strike forces. It may well be that we are about to witness a similar overtaking of current arms-control proposals because of the possibility of deploying highly effective ballistic missile defenses.

Although work on anti-ballistic missiles has been underway for some years, the prospects for their being really effective have in the past seemed relatively small. As Secretary of Defense McNamara and others have indicated, this was due largely to the development of sophisticated penetration aids (chaff, decoys, nose cones whose wakes were not easily identifiable by radar, etc.), so that incoming warheads could not be readily distinguished at the optimum altitudes for engagement by anti-ballistic missiles. Under these circumstances, the cost/effectiveness of such missiles was relatively low, in that an enemy could penetrate missile defenses with comparative ease. Alternatively, he could simply bypass local defenses by striking at undefended targets or by exploding large-yield weapons up-wind from defended ones. To cope with this latter threat, and with the possibility of fallout—or even blast damage—from defending missiles detonated at low altitudes, ballistic missile defenses had to be complemented by shelters capable of protecting against fallout and resistant to blast pressure. All in all, it is understandable that the United States did not deploy anti-ballistic missiles during the early sixties.

However, in the past year or so, a number of developments have called that decision into question. The first of these was the discovery that long-range interceptors could destroy incoming warheads beyond the atmosphere, before they dropped to altitudes at which current types of penetration aids would be effective in confusing the missile defense radars. Moreover, the extended range of these interceptors meant that fewer anti-missile missiles could protect a larger area, thereby reducing both the number of batteries which would have to be deployed and the cost of a defensive system. Even when combined with terminal defenses around targets of particular importance, new types of ballistic missile defenses appear to be more flexible and less costly than those which were under consideration a year or two ago.

A second relevant development was the detonation by the Chinese of a series of nuclear devices, several of which, according to the U.S. Atomic Energy Commission, "included thermonuclear material," and one of which was mated with a short-range missile. Even though a Chinese intercontinental ballistic missile force may, as Mr. McNamara testified, be seven or eight years off, the prospect of such a forces gives rise to understandable concern. A system of anti-ballistic missiles which intercepted targets beyond the earth's atmosphere ("exo-atmosphere") could certainly reduce damage from attacks by small nuclear powers such as China, as well as degrade second strikes or uncoordinated attacks by larger powers and guard against accidental launchings.

The third development has been an apparent step-up of Soviet activity in anti-ballistic missiles. Although the U.S.S.R. has for some years been working on anti-missile missiles, and has even televised films of missile interceptions, evidence of the actual installation of missile defenses has been both scant and contradictory; thus, while President Johnson, in his State of the Union Message, referred only to the emplacement near Moscow of "a limited anti-missile defense," other sources have spoken of Soviet A.B.M. sites athwart the natural access routes of incoming U.S. missiles, and have described the Soviet program as a nationwide net. Even limited Soviet ballistic missile defenses could, as General Maxwell D. Taylor stated some years ago, have a significant political and psychological impact, while more extensive ones might to some degree erode American strategic superiority.

Anyone concerned with the security of the

United States must, therefore, pay close attention to the potentialities of ballistic missile defenses for limiting damage from a nuclear strike, or, in a larger sense, for helping to deter such a strike. However, it is not enough to consider the case in so narrow a context, since national security embraces concerns other than that of damage limitation and may prescribe means of achieving that security other than large and costly expenditures for defense systems. Thus, those deciding whether, how and when to deploy ballistic missile defenses must consider their broad effects, taking into account possible Soviet reaction, the impact on friends and allies of such a decision, and the political and sociological implications of such a move for the United States. They must also consider other means of advancing our interests and security, the impact on the arms race the implications for agreement on further arms-control measures, the possible effect on past agreements such as the nuclear test-ban treaty, and the options open to the United States if it deems these factors important.

II

As previously indicated, technological improvements in ballistic missile defenses make feasible the deployment of a system which could markedly reduce the damage from an attack of a given magnitude. This has led to suggestions for at least the partial or "light" deployment of anti-ballistic missiles as a defense against lesser nuclear powers—and specifically against Communist China. It is argued not only that anti-missile missiles could reduce damage from a Chinese Communist attack, but also that they would render such an attack less likely, thereby enhancing the credibility of the American deterrent and giving the United States greater freedom of action in containing or opposing Chinese Communist expansionism in South and Southeast Asia. It is also maintained that the deployment of ballistic missile defenses may advantageously influence Chinese plans for weapons procurement, and specifically that it may induce the Chinese not to build intercontinental ballistic missiles. A look at both these possibilities is in order.

Broadly speaking, the Chinese Communists have two choices: to attempt to develop a regional deterrent based on light or medium bombers, medium-range or intermediate-range ballistic missiles and submarine-launched missiles; or to aim at a global deterrent, composed of long-range bombers, intercontinental ballistic missiles and more advanced submarine-launched missiles. Whether they will, in the long run, follow one or both of these routes is less important than the fact that the current constraints on their resources almost force them into a minimal program; indeed, Secretary McNamara's postulated Chinese I.C.B.M. threat is almost a decade off.

Considering these constraints, the possible uses of Chinese nuclear power, and the political advantages of deploying a visible deterrent as soon as possible, it may well be that the Chinese will forgo for the time being the deployment of intercontinental ballistic missiles—whether or not the United States installs antiballistic missiles. However, this would not preclude the Chinese from developing a capability to launch small-scale attacks against the United States, which they could do either with conventional delivery vehicles such as small ship-borne or submarine-carried seaplanes, or with more exotic vehicles such as submarines equipped to fire nuclear-tipped torpedoes against port installations and coastal cities. In fact, it is possible that the Chinese may find it advantageous to build submarine-launched missiles rather than intercontinental ballistic missiles. In the first place, they now have submarines, they have fired short-range missiles, and they would find it fairly simple to adapt these, or to build rather crude forms of sea-based missiles. In the second place, a missile submarine force would give them both a regional and an intercontinental capability, at least to the extent of small-scale attacks upon coastal cities. Furthermore, such a force would be less vulnerable to preemptive attack than either bombers or the kinds of first-generation "soft" I.R.B.M.s and I.C.B.M.s that are likely to be within Chinese capabilities.

Moreover, while fear of Chinese retaliation against the United States may inhibit our freedom of action vis-à-vis Communist China, there are other inhibiting factors, ranging from the possibility of Soviet intervention to concern over the political and psychological consequences of drastic measures—factors which certainly operated prior to the time the Chinese developed nuclear weapons. To these must be added the deterrent effect of a regional Chinese capability, which could enable the Chinese to strike at American bases in East Asia or even to threaten the cities of our Asian allies. While such a regional deterrent may not in itself have the impact of an intercontinental one—especially since it may not suffice to "trigger" a Soviet strategic strike against the United States—it will certainly strengthen the present barriers to U.S. military intervention in Asia.

Entirely aside from the question of whether ballistic missile defenses are necessary to deter Chinese nuclear strikes against the United States, it is also questionable whether they will have the desired impact on the Chinese development of particular weapons systems; they may simply induce the Chinese to emphasize weapons programs with which ballistic missile defenses (and particularly exo-atmospheric defenses) cannot readily cope, weapons such as submarine-launched cruise-type missiles. In any case, as China's technology and industrial capacity grows, so also will the sophistication of its weapons. To counter this, we will probably find it necessary to extend, to deepen and perhaps to improve our anti-ballistic missile system and to build up our air defenses and antisubmarine warfare forces. Thus, whatever the initial form of an A.B.M. system designed for use against Communist China, it will ultimately become either largely ineffective or little different from that required to defend against Soviet forces. In the long run, therefore, ballistic missiles defenses capable of coping with a Chinese attack are likely to increase markedly our capability to limit damage by Soviet strategic forces—a point which the U.S.S.R. is not likely to miss.

This raises immediately the question whether ballistic missile defenses are really needed against the Chinese Communists, who do not now possess, nor are likely to possess in the next decade, a strategic strike force sufficient to constitute a serious threat to the United States. For the Chinese to attack, or to threaten to attack, American cities in the face of our strategic superiority would be the rashest of acts on the part of a people who have been noted for their caution and conservatism in the use of military power.[1] Indeed, it is rather astonishing that the United States, which seems satisfied that its deterrent is effective against the Soviet Union, should be so concerned about its ineffectiveness against a power whose resources are miniscule, whose opportunities for significant gains through limited war are considerably less than those of the Soviet Union, and which, moreover, has shown no signs of undertaking such adventures.

III

Whatever the American decision with respect to deploying anti-ballistic missiles against Communist China, it is obvious that this may not be controlling; even should the United States refrain from building ballistic missile defenses, the U.S.S.R. might do so. In view of the tests they have conducted, the boasts they have made of the capabilities of their anti-missile missiles, and their thinking concerning the role of defenses as a stabilizing influence, it is entirely possible that the Soviets may extend to other areas the missile defense now surrounding Moscow—if indeed they have not already done so. In this case, much will depend upon how we react.

One option, of course, would be to do nothing, on the grounds that the strength, the diversity and the sophistication of our strategic strike forces now in being or currently programmed would enable them to overcome Soviet defenses, should the necessity ever arise. Although this may suffice militarily, especially against small-scale missile defenses around a few Soviet cities, it has severe drawbacks in other respects; as an unidentified official of the Johnson Administration is reported to have said, the President "could be crucified politically . . . for sitting on his hands while the Russians provide a defense for their people."[2] And if the Soviets extended their ballistic missile defenses to the extent that they significantly eroded American strategic delivery capabilities, the pressures to respond with some sort of arms buildup would be almost irresistible.

This could take the form of strengthening strategic strike forces, with the primary aim of insuring, as President Johnson said in his State of the Union Message, "that no nation can ever find it rational to launch a nuclear attack or to use its nuclear power as a credible threat against us or our allies." A second aim might be to retain the ability to limit damage through counterforce attacks against Soviet missile sites, air bases and other strategic targets. In seeking to achieve these aims, the United States would have, broadly speaking, four choices: to penetrate, to overwhelm, to bypass or to evade Soviet ballistic missile defenses. While any of these options could probably maintain our capacity for "assured destruction," they would obviously have quite different implications for damage-limitation, for possible Soviet reactions and, consequently, for the size and the cost of American strategic strike forces.

It is significant that Mr. McNamara, in response to the apparent acceleration of the Soviet A.B.M. program, has chosen to upgrade American strategic strike forces rather than to expand them. Both the Minuteman III, which replaces an earlier version, and the Poseidon submarine-launched missile, which is a successor to Polaris, can carry numerous penetration aids and/or multiple warheads, which, in Mr. McNamara's judgment, would "increase greatly the overall effectiveness of our Assured Destruction force . . . even if the Moscow-type A.B.M. defense were deployed at other cities as well. . . ." Although the introduction of multiple warheads theoretically increases the number of targets at which the United States could strike, these warheads may seem less threatening to the U.S.S.R. than would comparable increases in the size of our missile forces. And in this instance, as in many others, appearance may be as important as reality.

Had Mr. McNamara's proposal been, instead, to saturate segments of the Soviet defenses through timed salvos of missiles, or to exhaust them through the sheer number of

[1] Mr. McNamara has estimated that the best the Chinese could do, by 1975, would be to inflict six to twelve million fatalities on the United States; conversely, a small fraction of the U.S. delivery vehicles surviving a *Soviet* first strike could, if directed against China, kill fifty million Chinese and destroy half of Chinese Communist industry.

[2] *The New York Times*, December 27, 1966, p. 9.

missiles launched, this would probably require not only multiple warheads but also larger missile forces. The same would be true if the objective were to bypass their defenses by striking at more lightly defended targets or launching missiles along paths which would avoid the heaviest concentrations of defensive installations. The consequent expansion of American missile forces which are already three times as big as those of the U.S.S.R., could appear to enhance the U.S. counterforce capability and thus threaten the Soviets' own capacity for deterrence. Their logical response would be to expand their Strategic Rocket Forces, and perhaps to place greater reliance on mobile missiles, thus touching off a further round of increases by the United States, and so on.

Interestingly enough, Mr. McNamara has apparently ruled out the option of evading Soviet ballistic missile defenses, which would have meant relying more heavily on weapons systems, such as bombers and cruise-type missiles, that could not be degraded by Soviet A.B.M.s; in fact, he indicated that "a new highly survivable I.C.B.M. would have a far higher priority than a new manned bomber." Since bombers have little or no intrinsic first-strike counterforce capability, they might pose less of a threat to the Soviet deterrent than would an expansion of missile forces, and might provoke other—or milder—Soviet reactions. For the same reason, however, they might make less of a contribution to damage-limitation than would more or better missiles. In sum, the decision to penetrate any future Soviet A.B.M. system, rather than to overwhelm, evade or bypass it, seems to reflect careful consideration of possible Soviet reactions, as well as of our defense needs.

There is, of course, an alternative to strengthening offensive forces, and that is to build defensive ones—a step recommended by the Joint Chiefs of Staff and endorsed by some influential members of Congress. Here also there are a number of options, ranging from the installation of anti-missile missiles around I.C.B.M. sites to the full-scale deployment of both area and local ballistic missile defenses designed to protect American cities.

As Mr. McNamara testified, the first option is only one possible way of preserving our "assured destruction" capability in the face of unexpected increases in the size and the effectiveness of Soviet missile and missile-defense forces, and must be compared with other ways of preserving that capability; moreover, it would not reduce damage from a Soviet attack on American cities. A "light" A.B.M. deployment around cities, whatever its political advantages and its utility vis-à-vis Communist China, would be largely ineffective against the U.S.S.R. and, like pregnancy, hard to stop short of full term. And extensive ballistic missile defense, while they could significantly reduce damage from an attack by those Soviet forces now in being or presumably programmed, could not reduce fatalities below several tens of millions—even if we struck first against the U.S.S.R. Should the Soviets choose to augment or upgrade their strategic strike forces, the net result could be, as Secretary of State Rusk pointed out, to reestablish something approximating the present levels of mutual destruction at a much higher cost to both sides.

In the light of this gloomy prospect, the Administration is seriously trying to persuade the Soviets to limit their ballistic missile defenses—an effort upon which the U.S. Ambassador to Moscow, Mr. Llewellyn Thompson, is reportedly engaged. If he succeeds, then neither the improvements in strategic strike forces which the Department of Defense has programmed nor the partial deployment of anti-missile missiles around I.C.B.M. sites for which it has budgeted may be required—and many of the options previously discussed will seem irrelevant. However, it is doubtful whether even our able and influential Ambassador can persuade the Soviet leaders to accept a freeze on weapons, which would condemn the U.S.S.R. to continuing strategic inferiority. And any short-term moratorium on A.B.M.'s will be really significant only if it is the prelude to a broader program of arms limitation, for otherwise the differing strategic concepts and conflicting strategic objectives of the two countries may impel either or both to procure ballistic missile defenses. Thus, one crucial question is the willingness of the United States to propose (and the Soviet Union to accept) new and far-reaching curbs on strategic armaments, now or in the near future.

IV

The content of any new proposals will depend in part on the importance attached to arms control in general and ballistic missile defenses in particular. From the preceding discussion it would seem that the introduction of anti-ballistic missiles—regardless of who introduces them and for what reasons—is likely to have a significant impact on the current negotiations for arms control. For instance, ballistic missile defenses, by injecting a new factor into strategic calculations and by triggering various responses such as those previously described, would necessitate a complete reorientation of our proposal for a freeze on strategic forces. And, since bombers may take on new importance as a hedge against ballistic missile defenses, the deployment of A.B.M.s would make bomber disarmament, whether total or proportionate, less acceptable and less likely.

In addition, the deployment of ballistic missile defenses could stultify progress toward a nonproliferation agreement. For one thing, the Europeans might view Soviet ballistic missile defenses as further degrading the effectiveness of our deterrent, and hence increasing the likelihood of Soviet pressures against NATO Europe. While a subsequent American deployment might somewhat strengthen belief in the credibility of the deterrent, it might also lead to greater European concern over the likelihood and the imminence of war, and thus to renewed efforts to buttress deterrence through the development of their own ballistic missile defenses or through control over nuclear strike forces. And should both sides deploy anti-ballistic missiles, the Europeans may again be concerned lest Europe become a battleground for the nuclear giants. While all conceivable reactions cannot be discussed here, it seems likely that the deployment of ballistic missile defenses by one or both sides will strengthen the desire of some Europeans to develop national or regional nuclear deterrents and increase their reluctance to sign a nonproliferation agreement.

In the longer run, the impact of ballistic missile defenses on the prospects for arms control may be even greater. At the very least, the requirement for hundreds or thousands of nuclear-tipped anti-missile missiles would militate against further cutbacks in the production of fissionable materials. Furthermore, the desire for greater information concerning warhead effects would make it difficult for either the United States or the Soviet Union to give up the underground testing of nuclear weapons, which, according to some reports, is related to the development of missile defense systems. And at some stage in the expenditure of billions of dollars, one side or the other might feel compelled to try out the operational effectiveness of its long-range antimissile missiles against incoming warheads. Even if these tests took place outside the atmosphere, so that there would be no fallout, they would constitute a clear breach of the present nuclear test ban, as would, of course, operational tests of nuclear-armed terminal defense missiles such as the U.S. Sprint or Hibex. Thus, in time, the procurement of ballistic missile defenses might lead to the abrogation of nullification of the nuclear test ban, as well as the inhibition of further progress toward arms control.

One reason for this is the probable effect on the negotiations themselves. As shown by the Soviet reaction to our intervention in Viet Nam, it is hard to reach agreement on arms control during periods of increased tension, such as would probably follow stepped-up expenditures for defensive and offensive strategic weapons. Moreover, increases in strategic armaments would certainly alienate those powers which are already seeking cutbacks in weapons stockpiles and strategic delivery vehicles as the price of their own adherence to any nonproliferation agreement.

At the very least, therefore, the deployment of anti-ballistic missiles would in all probability lead to a hiatus in arms-control negotiations, while both sides tried out their new weapons, decided on countermeasures to the other's deployment, and reestablished an effective and acceptable strategic balance. It could mean the loss of any chance for an early agreement on a comprehensive test ban and on the nonproliferation of nuclear weapons, leading to decisions by countries such as Italy or India to proceed with their own nuclear weapons programs. And it could lead to a new arms race with the U.S.S.R., in which, as Mr. McNamara put it, "all we would accomplish would be to increase greatly both their defense expenditures and ours without any gain in real security to either side."

In considering how the United States might attempt to hedge against these potential consequences, while still assuring its own security and protecting its own interests, a number of possibilities come to mind. The first and foremost, of course, is to seek at least a moratorium on anti-ballistic missiles—as we are doing—perhaps at the price of some change in the present levels of strategic strike forces. Failing this, we might seek agreement with the Soviets on measures to limit the numbers or types of ballistic missile defenses, or both, so that neither side would feel threatened by an open-ended deployment of such defensive weapons. Alternatively, the United States might try to set limits on the numbers or types of offensive weapons which might be added to the arsenals of both sides in response to the deployment of anti-ballistic missiles, in order to dampen the impact on the arms race of incremental increases in strategic strike forces. Indeed, we might find it desirable to suggest revisions in our present freeze proposal which would allow the limited introduction of anti-missile missiles, providing corresponding numbers of I.C.B.M.s or I.R.B.M.s were destroyed.

To avoid interminable wrangling over technical details, and to allow for necessary adjustments in postures, such agreements might be tacit rather than formal, could be limited to a fixed number of years, or subject to cancellation for cause upon notice. The important problem is not the design of new measures, but recognition that reduction in armaments may promote the national security as well as—or better than—their augmentation.

It is obvious that judgments as to the desirability of building ballistic missile defenses will differ according to one's opinion as to the likelihood of war, one's desire to employ strategic forces as coercive instruments, one's theories on crisis behavior, and one's views as to how the communists are likely to conduct themselves in the next decade. But whatever views one may have on the utility of A.B.M.s, one must also acknowledge their disadvantages. For any deployment, the price, in coin and in new instabilities, will be high. Chief among the costs is likely to be an erosion of the already

slim possibility of reaching agreement on further arms-control measures which could promote a more secure world. Without denying the importance of military power in attaining this goal, it is still possible to question the relative allocation of resources to the increase of that power, and particularly the addition of increments which promise so little and risk so much. On these grounds the whole issue of constructing ballistic missile defenses needs to be carefully thought through, by both the United States and the Soviet Union.

Mr. RUSSELL. Mr. President, I ask unanimous consent that there may appear in the RECORD an article which appeared in the Washington Post of Friday, March 17, 1967, entitled "ABM's Start Urged by Chief of A-Weapons," being an article on an interview held with Dr. Harold Agnew, head of the Atomic Energy Commission at Los Alamos.

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

ABM'S START URGED BY CHIEF OF A-WEAPONS

(By George C. Wilson)

SAN FRANCISCO, March 16.—It is of "crucial importance" for the United States to go ahead immediately with an antimissile defense, the chief of the Government's nuclear weapons laboratory said today.

Dr. Harold Agnew, head of the Atomic Energy Commission's Los Alamos, N.M., Scientific Laboratory Weapons Division, said the first step should be to put the missile defense around U.S. ICBM sites.

Agnew, declaring he was speaking as a private citizen and not for the Laboratory, said failure to produce and deploy the Nike X missile defense now would set the whole program back for "two or three years."

The companies working on the Nike X are ready for the next step but will disband their technical teams and convert their facilities to other uses if the system is kept in suspension again this year.

UNITED FRONT BROKEN

Agnew gave these views in an interview following his appearance on a discussion program at the Air Force's Association convention here. Even though he spoke as a private citizen, his prestige in the nuclear field plus his government post breaks the united front of the Johnson Administration on the anti-missile issue.

President Johnson is trying to negotiate an agreement under which neither the U.S. nor Russia would go forward with missile defenses. Russia already has installed at least a partial missile defense. Agnew said the U.S. should do likewise even while negotiations are going on.

[Following a course outlined by President Johnson, the Senate Armed Services Committee today recommended a start on construction of anti-missile defenses unless an early agreement is reached with the Soviet Union, the Associated Press reported.]

OVER 10-YEAR PERIOD

Agnew said Defense Secretary Robert S. McNamara's estimate of $40 billion for a full-scale missile defense "is quite cheap insurance" when compared with Vietnam spending. The $40 billion would be spent over ten years.

Agnew ripped into many of the assumptions of McNamara and Dr. Jerome Wiesner about Nike X. Wiesner is a former presidential science adviser who has been a leader in disarmament efforts.

"There was a time when what was good for me militarily was probably by definition bad, or a minus, for the other nations," Agnew said.

"Of late however," he added, "the Defense and State Departments seem to have a new set of conditions: what is good for me should also be good for my adversary and vice versa; as such systems can only be considered good if they contribute to stability."

This refers to McNamara's argument that the United States and Russia would upset the military balance between them if either side built an anti-missile system. McNamara favors relying on an overwhelming offense.

Mr. RUSSELL. Mr. President, I am ready for the vote.

Mr. THURMOND. Mr. President, I firmly support S. 666, which is to authorize appropriations for fiscal year 1968 for the procurement of hardware for all branches of the armed services, as well as research, development, test, and evaluation for these items.

The total of the appropriations authorized by this bill is $20,765,332,000. The bulk of these funds, or $13,484,700,000, is for procurement of items urgently needed, such as aircraft, missiles, naval vessels, and tracked combat vehicles. The remainder, or $7,280,632,000, is for research, development, test, and evaluation.

In my judgment, this is one of the most important bills to come before the Congress each year, if not the most important. The items authorized to be purchased by this bill are necessary to the immediate survival of our country and the research and development funds authorized are for items which are of equal, or in some cases of paramount, importance to the survival of our country.

One item of particular concern to me, which the Armed Services Committee has included in this bill, is the authorization of funds for preproduction activities directed toward the deployment of an antiballistic missile defense system. As background information, it will be recalled that last year Congress authorized and appropriated $167.9 million for the purchase of items leading to the deployment of an ABM system. Unfortunately, these funds were not obligated and spent by the Department of Defense for the purpose that they were made available by Congress. Again this year, the Armed Services Committee of the Senate, and hopefully the entire membership of the Senate, will take firm action indicating to the world strong support for the immediate procurement of long leadtime items necessary for the deployment of an ABM system. In this bill, the Armed Services Committee is recommending $291 million for the procurement of these long leadtime items. In addition, there is included $86 million for construction and operation and maintenance costs for the ABM system. Thus, the total amount included in this bill is $377 million. Added to the amount made available in fiscal year 1967, the Defense Department will have $544.9 million on hand to go ahead with an ABM deployment.

It is my hope that the Secretary of Defense will not delay any longer a decision to move ahead in this area. The entire Armed Services Committee has taken a very firm stand on this matter, and the discussion of the need to move ahead can be found on page 5 of the Armed Services Committee report on S. 666.

As it is noted in the report, expenditure of the funds made available in this bill for the deployment of an ABM system does not necessitate an immediate decision on the type defense to be ultimately deployed. The decision could later be reached whether we desire to deploy the "thin" defense or a more extensive version. Should the decision be made to deploy the more extensive defense system, there will be the opportunity to provide additional funds necessary in future authorization bills.

Mr. President, I want to take this opportunity to congratulate the distinguished chairman of the Senate Armed Services Committee [Mr. RUSSELL] and the distinguished ranking minority member [Mrs. SMITH]. Both have given more than generously of their time and efforts in connection with this entire bill, and particularly the question of an ABM system. Their stanch support for the deployment of an ABM system, which is so vital to the security of our Nation, is to be highly recommended.

I also wish to commend Mr. Darden of the staff of the Armed Services Committee for his efficient work in this matter. I urge that the Senate give its immediate and overwhelming approval to S. 666.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

The bill was read the third time.

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. 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. MANSFIELD. Mr. President, so that Senators may be informed, I announce that immediately following this vote there will be a vote on the safety-at-sea treaty.

The PRESIDING OFFICER. The question is, Shall the bill pass? 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 Virginia [Mr. BYRD], the Senator from Hawaii [Mr. INOUYE], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

I also announce that the Senator from Indiana [Mr. BAYH], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from New Hampshire [Mr. MCINTYRE], and the Senator from Connecticut [Mr. RIBICOFF] are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], the Senator from Virginia

[Mr. BYRD], the Senator from Hawaii [Mr. INOUYE], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from New Hampshire [Mr. MCINTYRE], and the Senator from Connecticut [Mr. RIBICOFF] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

The Senator from California [Mr. MURPHY] is necessarily absent.

If present and voting, the Senator from New Hampshire [Mr. COTTON], the Senator from Nebraska [Mr. HRUSKA], and the Senator from California [Mr. MURPHY] would each vote "yea."

The result was announced—yeas 86, nays 2, as follows:

[No. 66 Leg.]

YEAS—86

Aiken	Hansen	Moss
Allott	Harris	Mundt
Anderson	Hart	Muskie
Baker	Hartke	Nelson
Bartlett	Hatfield	Pastore
Bennett	Hayden	Pearson
Bible	Hickenlooper	Pell
Boggs	Hill	Percy
Brewster	Holland	Prouty
Brooke	Hollings	Proxmire
Burdick	Jackson	Randolph
Byrd, W. Va.	Javits	Russell
Cannon	Jordan, Idaho	Scott
Carlson	Kennedy, Mass.	Smathers
Case	Kennedy, N.Y.	Smith
Church	Kuchel	Sparkman
Clark	Lausche	Spong
Cooper	Long, Mo.	Stennis
Curtis	Mansfield	Symington
Dirksen	McCarthy	Talmadge
Dodd	McClellan	Thurmond
Dominick	McGee	Tower
Ellender	McGovern	Tydings
Ervin	Metcalf	Williams, N.J.
Fannin	Miller	Williams, Del.
Fong	Mondale	Yarborough
Fulbright	Monroney	Young, N. Dak.
Gore	Montoya	Young, Ohio
Griffin	Morton	

NAYS—2

Gruening	Morse

NOT VOTING—12

Bayh	Hruska	Magnuson
Byrd, Va.	Inouye	McIntyre
Cotton	Jordan, N.C.	Murphy
Eastland	Long, La.	Ribicoff

So the bill (S. 666) was passed.

Mr. MANSFIELD. Mr. President, for the second time in as many days the senior Senator from Georgia has demonstrated his singularly thorough and profound knowledge of our military structure. In successfully presenting the procurement authorization measure for fiscal 1968, he observed that knowing just how much is enough for defense is a difficult matter. I agree. However, as difficult as it is, it is not beyond the grasp of the distinguished chairman of the Committee on Armed Services. I believe he also has voiced the opinion of the great majority of us in the Senate when he stated that as long as American men are in southeast Asia, they will be given our unstinting support. The authorization for that support is contained partially in the bill just overwhelmingly passed.

To the distinguished ranking minority member of the committee, the gracious and charming senior Senator from Maine [Mrs. SMITH], go our thanks for ably assisting the passage of this measure. I join with Senator RUSSELL when he praised her earlier today as one of the best informed Senators on all matters concerning the armed services.

The senior Senator from New York [Mr. JAVITS] is to be commended for offering his strong and sincere views on the measure, as are the senior Senator from Pennsylvania [Mr. CLARK], and the Senator from Washington [Mr. JACKSON].

I, personally, am grateful to all Senators for cooperating so selflessly in an effort to dispose of this measure, swiftly and with the utmost efficiency.

EXECUTIVE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate proceeded to consider executive business.

AMENDMENTS TO THE INTERNATIONAL CONVENTION ON SAFETY OF LIFE AT SEA

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, the Senate will now proceed to vote on executive E, 90th Congress, first session.

The question is on the adoption of the resolution of ratification. 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 Virginia [Mr. BYRD], the Senator from Hawaii [Mr. INOUYE], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

I also announce that the Senator from Indiana [Mr. BAYH], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from New Hampshire [Mr. MCINTYRE], and the Senator from Connecticut [Mr. RIBICOFF] are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], the Senator from Virginia [Mr. BYRD], the Senator from Hawaii [Mr. INOUYE], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from New Hampshire [Mr. MCINTYRE], and the Senator from Connecticut [Mr. RIBICOFF] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

The Senator from California [Mr. MURPHY] is necessarily absent.

If present and voting, the Senator from New Hampshire [Mr. COTTON], the Senator from Nebraska [Mr. HRUSKA], and the Senator from California [Mr. MURPHY] would each vote "yea."

The yeas and nays resulted—yeas 88, nays 0, as follows:

[No. 67 Exec.]

YEAS—88

Aiken	Hansen	Moss
Allott	Harris	Mundt
Anderson	Hart	Muskie
Baker	Hartke	Nelson
Bartlett	Hatfield	Pastore
Bennett	Hayden	Pearson
Bible	Hickenlooper	Pell
Boggs	Hill	Percy
Brewster	Holland	Prouty
Brooke	Hollings	Proxmire
Burdick	Jackson	Randolph
Byrd, W. Va.	Javits	Russell
Cannon	Jordan, Idaho	Scott
Carlson	Kennedy, Mass.	Smathers
Case	Kennedy, N.Y.	Smith
Church	Kuchel	Sparkman
Clark	Lausche	Spong
Cooper	Long, Mo.	Stennis
Curtis	Mansfield	Symington
Dirksen	McCarthy	Talmadge
Dodd	McClellan	Thurmond
Dominick	McGee	Tower
Ellender	McGovern	Tydings
Ervin	Metcalf	Williams, N.J.
Fannin	Miller	Williams, Del.
Fong	Mondale	Yarborough
Fulbright	Monroney	Young, N. Dak.
Gore	Montoya	Young, Ohio
Griffin	Morse	
Gruening	Morton	

NAYS—0

NOT VOTING—12

Bayh	Hruska	Magnuson
Byrd, Va.	Inouye	McIntyre
Cotton	Jordan, N.C.	Murphy
Eastland	Long, La.	Ribicoff

The PRESIDING OFFICER. Two-thirds of the Senators present and voting, having voted in the affirmative, the resolution of ratification is agreed to.

Mr. MAGNUSON subsequently said: Mr. President, the action by the Senate today in giving its advice and consent to the amendments to the International Convention for the Safety of Life at Sea is personally gratifying to me as chairman of the Senate Committee on Commerce.

The lack of adequate international safety standards for passenger vessels was made apparent by the tragic fire on board the *Yarmouth Castle*. Following the U.S. Coast Guard investigation of that horrible disaster, the Commerce Committee began hearings on the matter of safety of life at sea. We discovered that because of the 1960 Safety of Life Convention, the United States was limited in its ability to protect the American citizen who stepped aboard a passenger vessel of another nation. The basic flaw in the 1960 convention was its provision that vessels in existence at the time of ratification were not required to conform to the new safety standards. Thus, we had a number of vessels sailing the high seas which did not meet modern safety standards.

From the standpoint of our own legislation, the Commerce Committee reported and the Congress passed legislation requiring disclosure to passengers of the safety standard which a particular ship met. This was only a partial solution, however, for the real issue was the upgrading of the international standards.

The United States took the initiative in calling for a special meeting of the Fire Safety Committee of the International Maritime Consultative Organization to negotiate amendments to the 1960 convention. The amendments which the Senate has given its advice and consent to today are the result of

that meeting. They will insure, when ratified by two-thirds of the contracting government, that all passenger ships conform to the highest safety standards.

Senator LAUSCHE is to be commended for insuring prompt action by the Foreign Relations Committee on these amendments.

LEGISLATIVE SESSION

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

"TRENDS IN FEDERAL SPENDING—PAST AND FUTURE"—ADDRESS BY SENATOR ELLENDER

Mr. HOLLAND. Mr. President, our distinguished friend the senior Senator from Louisiana [Mr. ELLENDER] delivered a very fine speech yesterday at Boca Raton, Fla., at the 34th annual conference of the Southeastern Electric Exchange.

I ask unanimous consent that the speech of Senator ELLENDER be included in the RECORD as a part of my remarks.

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

TRENDS IN FEDERAL SPENDING—PAST AND FUTURE

(Address by Senator ALLEN J. ELLENDER to the 34th annual conference of the Southeastern Electric Exchange, Boca Raton, Fla., Mar. 20, 1967)

Ladies and Gentlemen: I am delighted to be here today to discuss a few of the spending programs and policies undertaken by our federal government over the years. I am not an economist, but 30 years of my life have been spent in the United States Senate, and since 1949 I have been a member of the Senate Committee on Appropriations. As you are aware, this Committee has the task of overseeing and attempting to direct and control all the expenditures of the federal government, and thereby the programs and activities which are undertaken.

I use the term "attempting to direct" or "attempting to control" these expenditures and programs, advisably. Of a total budget for fiscal 1968 of $135 billion, the Congress will have the opportunity to exercise some control over no more than $30 billion. I will discuss this point more fully later on, but for the moment, the figures make it fairly obvious that in the field of federal spending, as in many other areas, Congress has virtually lost the control provided by those who framed our Constitution.

Our Founding Fathers very wisely placed the responsibility for providing revenues and controlling expenditures with the Congress. They went even further, as you are well aware, by stipulating that all revenue measures should originate in the House of Representatives, as that body was the closest to the people. History informs us that our early settlers had considerable experience with taxation without representation, but after 190 years of taxation with representation, I sometimes wonder how much better off we are today.

The Constitution provides:

"The Congress shall have Power to lay and collect Taxes, Duties, Imports, and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States; . . .

"To borrow Money on the credit of the United States; . . .

"To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two years; . . .

"No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of Receipts and Expenditures of all public Money shall be published from time to time. . . ."

There is almost no way to over-emphasize the importance that this function now carries for the growth and development of our nation and the daily lives of our citizens.

Budget considerations consume far more Congressional time, study, and attention each year than any other single subject. These considerations sweep across the scope of all our Federal activities. The Appropriations Committee of either House is a strategic assignment for any Member of Congress who desires to work, and to keep abreast of what goes on. I make it a point to attend all meetings of the full Senate Committee, and most of the meetings of the six appropriations subcommittee on which I serve.

Throughout our history, Congress has struggled to devise ways and means of carrying out its Constitutional authority. The effort has been marked by conflicts with the Executive Branch, and within the Halls of the Congress. A series of compromises has resulted in the delegation of a large part of the Congressional control over the budgetary process.

In the Treasury Act of 1789 Congress assigned to the Secretary of the Treasury the responsibility for compiling and reporting "estimates of the public revenue and expenditures," but no authority was granted either to review expenditure estimates or to oversee the use of appropriations.

Subsequently, the Congress enacted many laws in an effort to regulate purchasing, contracting, payment of salaries, transportation, and even to limit the rate at which appropriations could be expended. All of those measures proved ineffective.

In 1820, Congress enacted a law requiring the Secretaries of the Navy and War to submit on February 1, of each year, a statement of their financial needs and the unexpended balances of previous appropriations. In time, similar statements, plus additional data, were required from other agencies of the Federal Government.

Under this process, which had grown piecemeal and unplanned, there was no office responsible for formulating a budgetary program for the entire Government. Estimates submitted to Congress represented the requests of the administrative departments concerned, and there was no coordination or consideration of the relative merit of these requests or of their justification in keeping with the Government's available resources.

In 1909, Congress passed the Sundry Civil Appropriation Act, which made the President responsible for recommending to it the means by which the annual expenditure estimates might be brought within the amount of estimated revenues. Later that year, President Taft conferred at length with his Cabinet officers on the amounts of their respective requests for the year 1910. This was the first direct participation by a President in the preparation of budget estimates.

On June 25, 1910, Congress authorized President Taft to appoint a commission which was later to become known as "the President's Commission on Economy and Efficiency." This turned out to be a milestone in the development of the present budget system. On February 26, 1913, President Taft, in order to demonstrate its usefulness, submitted to the Congress a budget prepared with the aid of his Commission on Economy and Efficiency. However, even though this budget reform idea gained a number of supporters, no action was taken until after the end of World War I.

In 1919, Congress passed a budget and accounting bill which provided for a budget system. President Wilson vetoed this bill; he favored the budget system, but he objected on Constitutional grounds to a feature which denied the President the authority to remove the Comptroller General from office. Virtually the same bill was passed by the next Congress and approved by President Harding on June 10, 1921.

Later, that year President Harding submitted to the Congress the first presidential budget, containing estimates of both revenues and expenditures. The Budget and Accounting Act of 1921 created the Bureau of the Budget and placed it under the direct supervision of the President, even though it remained physically in the Treasury Department. The Budget Bureau was charged with the responsibility for preventing new activities which would result in useless duplication of work and for the general promotion of economy and efficiency in administration.

In 1939, Congress passed the Reorganization Act of 1939 which established the Executive Office of the President and transferred the Budget Bureau to this Office.

The Budget Bureau, acting through the Executive, has since become the most potent force affecting the budget process. It seems to be continually trying to take more and more authority unto itself. The Budget Bureau now has the final say over the estimates presented to the Congress in January of each year. It also has a large degree of control over the expenditure of funds for programs expressly authorized by the Congress, but not recommended by the President. Increasingly, the Budget Bureau seeks to inject itself into the realm of national policy, which is a function of the Congress. This is one trend I hope will be arrested or even reversed in the near future. It has come about in large measure because of the complexity of the entire budget process.

I do not know how many of you realize this, but the formulation and execution of the budget, for any fiscal year, covers a period of about 30 months. There can be, and usually are, budgetary actions underway which affect three different fiscal years at one time.

For example, in March of 1967, the Departments and agencies of the government have been and are planning their programs for fiscal 1969. The Congress is considering supplemental requests for fiscal 1967, the year we are now in, plus revenue, authorization and appropriation requests for fiscal 1968. At the same time, the Executive Branch is carrying out legislative and spending programs enacted by the Congress for fiscal 1967.

In 1965, the President announced that new planning techniques were to be put into effect which held promise of greatly simplifying the entire budgetary process. We will have to wait and see what comes out of the new system. So far, I have not noticed any good results. It is plain, however, that if the entire budget process can be simplified to a degree, it will present the Congress with an opportunity to exercise more of its Constitutional authority.

I stated a few minutes ago that President Johnson's 1968 Budget requests amounted to a little over $135 billion. It is hard to believe that prior to 1917 there was only one year in which the federal government spent $1 billion or more. That year came at the height of Civil War—fiscal 1865.

During the 1920's, federal expenditures ran about $3 billion annually. In the next decade, they averaged between $6 and $8 billion annually. I might add here that the interest charge on our national debt today is about double the budgets President Roosevelt presented to the Congress during the depression years.

In 1945, the peak year of World War II, federal expenditures were above $98 billion. In the decade of the 1950's, they fell back somewhat but only to the level of about $65 billion annually, and that lasted for just a few years. You will recall that for fiscal 1966, the nation was subjected to an effort worthy of Winston Churchill and the Battle

of Britain. The Executive Department gave its blood, and sweat, and tears, to holding the budget estimates below $100 billion. The figure that was finally arrived at and presented to the Congress was $99.7 billion.

However, after all of this mighty effort, actual expenditures for fiscal 1966 amounted to $106.8 billion. Furthermore, just two years after the landmark $100 billion budget was not only reached, but surpassed, we are more than a third of the way toward reaching a budget aggregating $200 billion.

Of course, the budget receipts have also grown tremendously, although never quite sufficient to reach budget expenditures. Today, the taxes collected by your government for one fiscal year amount to about three and a half times as much as the total government revenues since its formation in 1789 to 1917, when we became involved in World War I.

So here we have illustrated one of the major trends of federal spending, both past and future. The trend has been and will be toward larger and larger budgets. In some respects, this is understandable. The population of our country has increased tremendously—from 165 million in 1955 to an estimated 193 million today and an estimated 230 million by 1975. This means, under the prevalent thinking in the country, that the federal government will find more and more things to do with your tax money. It also means that the government will have more money to do things with.

The last year in which the budget estimates were lower than the year before was in 1956, during the Eisenhower administration. As a matter of fact, the 1955, 1956 and 1957 Eisenhower budgets were all held at a more or less constant level of $65 billion. In two of these years, surpluses slightly exceeding $1 billion were developed through the use of budgetary legerdemain. However, by 1958 the country was falling toward a deep recession and the 1959 budget developed a deficit of about $12.5 billion. This deficit is by far the largest peace-time deficit in our history.

While our population has been growing over the years, it has also been shifting a great deal, both as to age groups and geographical distribution. For instance, in 1960, there were 64 million Americans under 18. By 1975, the figure is expected to reach 84 million. Conversely, in 1960, there were 16.7 million Americans 65 and over, a total that may reach the level of 21.2 million by 1975. This is an increase of more than one-third in only 15 years.

I quote these figures because they are the favorite ones used by the Executive Branch to justify some of the great increases we are now experiencing in the non-defense fields of federal spending. For instance, in 1955 the amounts allotted to education totalled only $377 million. This sum had increased more than sevenfold by 1966 and doubtless will continue to increase. Expenditures for Health, Labor and Welfare have increased from a level of $2.2 billion in 1955 to $9.9 billion in 1967, an increase of approximately 450 percent.

In my view, the growth in these programs should be borne more fully by the states and local governments. The trend, unfortunately, seems to be for the citizens and States to look increasingly to Washington, with the attitude of "let George do it."

But whether we like it or not, this is another trend that seems to be firmly entrenched in the federal spending program. The age groups below 18 and those above 65 represent citizens that by and large seem to have a much greater need for public services and they can bring much pressure to bear on the Congress and the Federal Government.

And now let us discuss the geographical shift of our population and its effect on the budget. In 1910, 54 percent of our population lived in rural areas. By 1960, the figure had fallen to 30 percent. The farm population in 1950 was made up of 23 million persons. By 1960, the figure had been cut almost in half, to 13.4 million, and the latest figures available for 1965 indicate that the trend away from the farm is continuing. Farm population now amounts to 11.6 million persons, making up only 6 percent of the total U.S. population.

This trend away from the farm means a migration toward the cities and urban areas. This situation is likewise reflected in the federal budget. Expenditures for agriculture and agricultural programs are down from 13.5 percent of the total federal budget in 1939, to 6.4 percent in 1960, to about 4 percent in 1966.

Conversely, in recognition of this trend toward urban areas, the Congress, two years ago, created an Executive Department at the Cabinet level to deal with housing and urban affairs. This new Department commenced with a modest level of expenditures in fiscal year 1966 of $600 million, but this sum will double in 1968. I can assure you that in this one area you will see the federal budget grow like Topsy in the years ahead. Congress has been requested to grant new spending authority amounting to $3.2 billion for fiscal 1968, which begins on July 1st of this year.

To return to the fiscal 1968 budget total of $135 billion mentioned earlier, Congress has some control of only $30 billion, or 22 percent of total expenditures. Most of the budget is virtually untouchable by the Congress for all practical purposes.

For instance, of the total fiscal 1968 budget, $75.5 billion is for defense spending. Now, I am not contending that Congress cannot control this huge sum, but what I am saying is that Congress has little hope of making substantial reductions in its size. We all know that in times of war, the military calls the shots and is given whatever it requests. We have been, more or less, in cold or hot wars since 1941, and a large part of each annual budget has been spent to maintain our defenses and pay off some of our debts and obligations incurred during past conflicts.

During 1945, the height of World War II, defense expenditures consumed 71.7 percent of the total federal budget. For four years after the cessation of hostilities, the major commitment to defense spending began dropping, and bottomed out in 1949 to 32.7 percent of our total federal spending. Think what it would mean to the country if that figure could be reached once again; if out of the total budget of $135 billion, we would have $100 billion to use for developing our domestic economy, to begin making reasonable payments on retiring our national debt, and to make this country a better place in which to live.

To digress for a moment, this is what our so-called allies in Western Europe have been doing since the end of World War II. First with our economic assistance and then because of the military umbrella we have held over them, the Western European countries have not had to burden themselves with lopsided defense expenditures. They have turned, instead, to developing their own domestic economies. By and large, they are now in a far stronger position in the markets of the world than we are. Their industrial development, realized in large part through our assistance, is new, modern and efficient. Their maritime commerce has been growing by leaps and bounds while ours has been stagnating and declining for a number of years. The point is, they have been able to devote all of their efforts to taking care of themselves, and they have done so admirably. We have devoted our efforts to taking care of the world, at a great expense to all our taxpayers.

I have spent a large part of my Senatorial career endeavoring to control our foreign aid program, and to some degree I have succeeded. But I, and others of my colleagues in the Senate and in the Congress, have had little success in controlling defense expenditures, which make up a far greater part of our total expenditures. Do not get me wrong, I have always advocated a defense establishment strong enough to protect our shores against all aggressors, but the fact is that the cold war which we have been engaged in and which has flared up from time to time over the last 20 years has been a tremendous drain on our nation.

From 1951 to the present, defense expenditures have averaged between 50 and 60 percent of each year's federal budget. For fiscal 1968, the figure is 55.9 percent. Because Congress has little to say in respect to the size of our defense program, as I heretofore pointed out, we have more than one-half the budget removed from Congressional control.

Taking defense expenditures from the total $135 billion budget, leaves us with about $59.5 billion in civilian programs. Almost half of these are also removed from the control of Congress. Interest on the public debt, for instance, will require $14.2 billion, a truly astronomical figure. This service charge has increased by $2 billion since last year, and if our debt continues to rise and if interest rates are not lowered, we can expect it to continue to mount.

Other major programs established by substantive law require the expenditure of $15.2 billion. Included are veterans' pensions and benefits, grants to the States for public assistance, agricultural support payments, postal deficits, to name but a few. This sum added to the service charge on our national debt aggregates $29.4 billion and when this amount is deducted from the $59.5 billion allocated to civilian programs, the remainder is the $30 billion I mentioned earlier.

Included in this sum of $30 billion are the Foreign economic and military aid programs, the poverty programs, a proposed pay increase for all military and civilian personnel of the Government, public works and reclamation projects, the space programs, certain programs for the Veterans Administration, numerous programs in the fields of health and education, to name but a few, which in the aggregate amount to almost $20 billion.

Charles L. Schultze, currently Director of the Bureau of the Budget, looks upon the entire budgetary process as a series of choices. Of course, he is exactly right in this regard, for any budget, whether it be for a family or a large corporation, represents what can be done with the available funds.

Inside the limits of Congressional control, important decisions can still be made over the direction taken by a multitude of federal programs. In this connection, the Congress acts for the nation in allocating our resources for the national good. At times, this goes contrary to the will of the Executives, but in many instances the will of the Congress prevails, I am glad to say.

For instance, in a recent article on the choices which make up the annual federal budget, Mr. Schultze comments at great length on the Administration's attempt to modify the school lunch program. I was proposed that the provisions of the law be shifted to force the middle class to bear a greater share of the cost. Other important changes were proposed which would have had the effect of turning the operation of the National School Lunch Act into a federal welfare program.

As the original sponsor of the School Lunch Act, twenty years ago, I was greatly opposed to the recommended changes. My reasons were many, but I would like to comment particularly on the one stressed by Mr. Schultze. The Budget Bureau Director states in regard to this as follows: "I have about come to the conclusion that the one thing you cannot tamper with are entrenched subsidies to middle income groups and the well-to-do—be the reduction of more than a penny a day." He goes on at

length concerning the public outcry that was raised against the Administration's proposal.

I fear that although the Budget Director implies that the so-called "subsidies" to the middle income groups will be left alone in the future, his opinion is not shared throughout the Executive Branch. I believe a strong trend is in the making to tap the upper and middle income groups for a greater proportion of federal revenues.

The record clearly shows that these groups pay by far the greatest amount of federal income taxes, but, conversely, reap fewer federal benefits. For instance, in 1964, families earning between $7 and $15 thousand paid a total of $20.7 billion in federal income taxes, representing 42 percent of the total personal income tax receipts. Those earning above $15 thousand paid $18.9 billion in federal income tax, which amounts to another 38 percent of the total personal income receipts. Taken together, the number of families earning above $7 thousand per year contribute 80 percent of the nation's personal income tax revenues. This is probably as it should be, but I take issue with those in our government who look upon the middle income groups as a great reservoir to be tapped in ever increasing amounts to provide a wider and wider range of federal welfare services. These groups provide far more federal subsidies than they receive.

I am reminded of George Bernard Shaw's character in "My Fair Lady," who is offered the chance to rise above his low station in life and become a middle class citizen. As you will recall, he turns down the offer, pointing out that all his needs are already provided for in his present position and, furthermore, he could not afford to become a member of the middle class, because he would then have to pay for the services he is now getting free.

It seems to me that this same attitude pervades much of our society today. It is evidenced by proposals for a negative income tax, a guaranteed annual wage, and the trend toward larger budgets, the movement of federal funds away from the countryside and into the city, and the turn toward more and more federal involvement in every day lives of our citizens. It is my belief that Congress must act to reassert itself in the budgetary process and assume greater control over our federal spending programs. I have always worked towards that end, and you may rest assured that I will continue to do so in the future.

VIETNAM—ADDRESS OF SENATOR HATFIELD BEFORE THE HARVARD YOUNG REPUBLICAN CLUB

Mr. MORSE. Mr. President, on the evening of March 16, 1967, my colleague, Senator HATFIELD, spoke at Harvard University before the Harvard Young Republican Club on the subject of Vietnam.

The first paragraph of his speech is a quotation from President James Madison. It reads:

Knowledge will forever govern ignorance, and a people who mean to be their own governors must arm themselves with the power knowledge gives. A popular government without popular information or the means of acquiring it is but a prologue to a farce, or a tragedy, or perhaps both.

Senator HATFIELD then said:

These are the words of President James Madison and I find them hauntingly appropriate today as more and more Americans admit to complete confusion regarding our policies and purposes in Vietnam.

So that the speech may be available for general public consumption, I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

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

VIETNAM

(Address by Senator MARK O. HATFIELD)

"Knowledge will forever govern ignorance, and a people who mean to be their own governors must arm themselves with the power knowledge gives. A popular government without popular information or the means of acquiring it is but a prologue to a farce, or a tragedy, or perhaps both."

These are the words of President James Madison and I find them hauntingly appropriate today as more and more Americans admit to complete confusion regarding our policies and purposes in Vietnam. As this confusion has grown greater, and as it has become more difficult to define and defend a moderate stand, increasing numbers have sought solution in extremes. Louder and more demanding have grown cries for escalation—"let's win and get out." Equally demanding have grown the cries for immediate abandonment. And, in this clamor and confusion, the voices of moderation have been muted.

The solution for Vietnam is not to be found in emotional extremes but in a well-reasoned policy that respects historical fact and that accommodates current realities.

The present course of our involvment has been charted on a distorted map. The mapmakers have deliberately misinterpreted the 20 year history of this conflict to justify our present involvement, and they follow their twisted path with a lack of sensitivity to political realities and priorities.

If we are to reach our destination of a just peace in Southeast Asia, I am convinced that we must rechart our course—first, through an honest interpretation of history and an alteration of our policies to comply with this history, and second, through a recognition of this conflict as a political problem that must be solved through political offensives and not solely by military might.

One of the first historical facts that must be recognized is that Ho Chi Minh has been fighting since before the end of the Second World War and always under the primary cause of *nationalism*—not Communism. When Vietnam first proclaimed its independence from the French in 1945, it was a statement of nationalism by both Ho Chi Minh, a Communist, and Bao Dai, a non-Communist. They called their country the Democratic Republic of Vietnam, but disagreements developed as to their status as a free state, and by the end of 1946 the war for independence from France had begun.

After two years of warfare, when military measures had failed to produce a solution to the political problems, the French attempted to make their control over Vietnam more subtle and less objectionable. They established Vietnam as an *associated* State in the French Union, and established Bao Dai as its puppet head. It was at this time that Ho Chi Minh established diplomatic relations with the Chinese Communists and the Soviet Union.

Ho Chi Minh's belated recognition of his Communist leanings was an attempt to find an ally against the French—and against the United States who supported the French. There has been little convincing evidence that Ho Chi Minh's forces have been *primarily* motivated by a desire to spread the cause of Communism or to drag Vietnam into the Communist bloc. The evidence continues to indicate that the North Vietnamese are *primarily* motivated by a desire to rid Vietnam of foreign influence and to unify it under one government—naturally their own. We must then recognize nationalism and not Communism as the predominant thrust of Ho Chi Minh. And this nationalism and desire for independence of foreign control or influence is not discriminatory—it is not just aimed at the French or the United States but applied to all countries who would try to impose their ideas or policies on Vietnam.

Under the Geneva Agreement in 1954 that ended the hostilities with the French, refugees from the North were allowed to move South. But the people in the South had no figure or force around which the anti-Ho Chi Minh people could rally. They selected Ngo Dinh Diem as President but he was identified with the ruling forces of Vietnam who had cooperated with the French during the war for independence. He was a part of the landlord group, with little interest in vital land-reforms and was almost totally inept at holding the numerous South Vietnamese factions together. Diem alienated many of these groups, his government was inconceivably corrupt, he destroyed the democratic form of village government and installed his friends as village heads, and the longer he remained in power, the more repressive his policies became.

When it came time to hold the national elections provided for in the Geneva Agreements to determine Vietnam's leadership as a united country, everyone granted that Ho Chi Minh was so popular that he would easily win free elections. President Eisenhower estimated that Ho would receive 80 percent of the vote. The United States and the South Vietnamese decided to stall off the elections until the Vietnamese saw the light—with the help of our military and economic assistance.

Opposition to Diem's rule grew and from 1958 on this opposition took on more and more of the form of guerrilla activity and terrorism against minor South Vietnamese officials. This was South Vietnamese fighting South Vietnamese, Communists fighting non-Communists, the landless fighting the landowners, and it was not until 1960 that North Vietnam publically supported the revolt of the South Vietnamese. U.N. Secretary General U Thant considers it "illusory" and "irrelevant" to look at the Vietnamese conflict as a conflict between Communism and democracy. For Vietnam, Thant says, the war has become one of "national survival," for the independence and identity of the country itself. Following the Geneva Agreements, then, the conflict in South Vietnam was clearly a civil war among the Vietnamese people and not a war of aggression initiated by a foreign power.

Why we ask in retrospect, would the United States take sides against a struggle for national independence and then later take sides in a foreign civil war? Let's briefly trace our involvement. We inserted ourselves into the lives of the Vietnamese in the early 1950's when we financed almost 80 percent of the French military action against Vietnam. Our involvement then was justified, and continued to be justified, on the grounds that Ho was a Communist, his forces were Communist, and therefore, he was fighting in the name of Communism. The conflict was misinterpreted and distorted as an ambitious plan of world Communism to gobble up Vietnam and dominate Asia. And once this conclusion was reached, and once this faulty analysis was accepted as the truth, the pattern for American involvement was irrevocably set.

The current nature of our involvement was determined early in 1965 when President Johnson committed 100,000 combat troops to South Vietnam. This escalation of the war was justified by another misrepresentation of the nature of the conflict—this time it was declared to be a "war of aggression" by North Vietnam. But before this new definition of the war was decided upon, Secretary of Defense McNamara had stated in March 1964, "the large indigenous support that the Vietcong receives means that solutions must be as political and economic as military. Indeed, there can be no such thing as a purely 'military' solution to the war in South Vietnam." After the initiation of our large military build-up program, however, our efforts

have been directed *almost exclusively* toward finding a military solution. Mr. McNamara's position has now reversed itself. The Secretary of Defense no longer considers the economic and political solutions as important as the military, but believes that military success is prerequisite to political success.

This reversal in positions and contradiction *in statements* is not uncommon with Mr. McNamara. On March 15, 1962; on May 12, 1962; on January 27, 1964; and on November 10, 1964, he stated that the United States was in South Vietnam to provide training, that he had no plan for introducing U.S. combat forces to South Vietnam, that we were there only to support the frontline troops of the South Vietnamese army, and that the war must be fought and won by the Vietnamese.

President Johnson repeated McNamara's definition of our role during his campaign for President, when in August 1964 he stated: "Some others are eager to enlarge the conflict. They call upon us to supply American boys to do the job that Asian boys should do. They ask us to take reckless action which might risk the lives of millions." Yet within three months of his election as President, the decision was made to send Marine combat troops to Vietnam. And today, in absolute contradiction to assurances made to the American people that the war would be fought by the South Vietnamese and not by the United States, the Americanization of the war is almost complete. U.S. troops have now assumed responsibility for military operations while the South Vietnamese army is more engaged in pacification programs. The South Vietnamese have truly become spectators in their own war.

The official Administration explanation for sending massive numbers of combat troops to Vietnam was offered early in 1965 by Secretary Rusk. This escalation of the war, Rusk said, was a response to the movement into the South at the end of 1964 of the entire North Vietnamese 325th Division. A State Department White Paper reported that 4,400 and possibly as many as 7,400 North Vietnamese had infiltrated into the South during 1964. In June 1966, however, the Pentagon confirmed Senator Mansfield's report that *only 400* North Vietnamese soldiers had infiltrated during 1964. Mansfield concluded, and Secretary McNamara admitted, that it had been the weakness of the South Vietnamese government and the threat of its imminent collapse—and not the strength of the Communists—that had caused the commitment of 100,000 men, in 120 days, in early 1965. Thus on the basis of a misrepresentation by the Administration, the American public allowed the President to send American boys to fight a war he had said should be fought by Asians; to falsely redefine the conflict as primarily a war of aggression; and to seek a military solution to this political problem.

The Administration has trouble with its statistics in proving the existence of aggression from the North and it also has trouble with its logic. In supporting its position that the war is an act of aggression by the North, the Administration points to action taken in Hanoi in 1960 to organize a liberation movement in the South.

But this aggressiveness of Ho Chi Minh is only half of the story and we are not told the other half. The Geneva Agreement was not yet a year old when, in 1955, Diem promised the people of North Vietnam that *he* would liberate *them*. In 1958, Diem's promise was given tangible form when the South Vietnamese government created the Committee for Liberation of North Vietnam. As my colleague, Senator Morse, has pointed out, this act of aggression—as defined by our own standards—did not bring 400,000 Communist troops into North Vietnam to defend it from aggressors to the South.

Perhaps most disturbing of the many inconsistencies in Administration policy are the contradictory statements by government officials on how peace will be achieved in Vietnam. President Johnson stated in April 1965: "the only path for reasonable men is the path of peaceful settlement." His words were restated last week when Senator Robert Kennedy said "Our government has *unequivocally* said that our objective in Vietnam is a negotiated settlement with the Communists."

This view has not been as "unequivocally" stated as Mr. Kennedy thinks. Ambassador Lodge stated in late 1966 that the end will come through the application of overwhelming military power. First we have to beat the Army of North Vietnam, the Ambassador said. Next we will have to take care of the 100,000 Vietcong in the South, and then we will have to go after the 150,000 civilian guerrillas that work in the villages. Once all this is accomplished, he predicts, the end will probably take the form of a fade-away.

Not only have we been given widely varying stories as to the nature of the conflict, there have also been constant contradictions in the statements of Administration officials as to the *status* of the war effort and the situation inside Vietnam. Perhaps best known of these statements is Secretary McNamara's prediction made in October of 1963, that the major part of the U.S. military task could be completed by the end of 1965. This statement is by no means his only inaccurate prophecy or faulty assessment however. On May 12, 1962, he stated—"Progress in the last 8 to 10 weeks has been great . . . Nothing but progress and hopeful indications of further progress in the future." On July 25, 1962, he said: "Our military assistance to Vietnam is paying off. I continue to be encouraged. There are many signs indicating progress." And on January 31, 1963, he restated his optimism: "There is a new feeling of confidence that victory is possible in South Vietnam." According to McNamara's statements, we have been making great progress. Unfortunately, McNamara's "progress" has brought us no closer to a solution than we were in 1962.

But the constant contradictions in our statements that have most damaged the prospects for peace have been our declarations regarding the conditions and circumstances necessary for peace negotiations. The Administration has maintained that it has constantly sought to establish peace talks but there have been several instances where we actually refused offers from Hanoi to negotiate.

In 1964 the United States turned down two tangible and specific proposals to initiate peace discussions. In late July, General DeGaulle called for a Geneva-type conference and Russia asked the fourteen nations of the Geneva conference to reconvene. The Vietcong stated that it was "not opposed to the convening of an international conference in order to facilitate the search for a solution." Hanoi and Peking also endorsed the proposal and Secretary General U Thant reiterated his support for the reconvening of the Conference. But the United States' reply was "We do not believe in conferences called to ratify terror, so our policy is unchanged." And, during September 1964 North Vietnam offered to meet with U.S. representatives in Rangoon, Burma, to discuss terms for ending the hostilities in Vietnam. Despite U Thant's determined efforts to arrange the talks, the U.S. rejected the proposal.

Late in February, 1965, U Thant again tried to set up peace discussions and disclosed at a news conference that he had made concrete proposals and suggestions to the United States and to other powers principally involved in the Vietnam question. A New York Times report stated that the "Communist Government of North Vietnam has notified the Secretary General that it is receptive to his suggestion for informal negotiations on the Vietnam situation." But the White House replied: "The President has not authorized anyone to participate in negotiations. He has no meaningful proposals before him." Administration officials confessed several months later that if they had agreed to peace talks with Hanoi, it might have toppled the Government in Saigon.

The United States became very specific about its willingness to negotiate when the President stated on April 27, 1965, "I will talk to any government, anywhere, any time, without any conditions, and if any doubt our sincerity, let them test us." Our sincerity *was* tested a few weeks later when, during a pause in the bombing of North Vietnam, Hanoi asked the French government to indicate to the U.S. its interest in negotiations, withdrawing its previous condition that there had to be a prior withdrawal of U.S. troops. Secretary of State Rusk later described this reaction of the North Vietnamese when he said "In May, there was a cessation of bombing which ended after a harsh rejection by the other side of any serious move toward peace."

The latest dialogue on the possibility of establishing peace negotiations is a repetition of the same old story of the Administration rejecting an offer to negotiate as not "meaningful" or not "substantial." On February 3, 1967, news broke in the Washington Post that on December 4, 1966, a message from Polish Foreign Minister Adam Rapacki stated that Hanoi had agreed to talks at the ambassadorial level in Warsaw. North Vietnam asked that special representatives be dispatched from Washington for this purpose. Hanoi reportedly attached no conditions about a prior cessation of American bombing of North Vietnam to its agreement. Previously Hanoi had insisted publicly on acceptance of its own four-point peace plan, involving, among other things, an end to the bombing. But after the American bombing raids near Hanoi December 13 and 14 which damaged civilian areas—North Vietnam withdrew its agreement, accusing the United States of bad faith.

At a press conference on February 2—the day before the news broke about the offer from Hanoi to negotiate—President Johnson was asked about the possibility of peace negotiations. He stated: "With the information that I have, with the knowledge that is brought to me, I must say that I do not interpret any action that I have observed as being a serious effort to either go to a conference table or to bring the war to an end. . . . I have seen nothing that any of them have said which indicates any seriousness on their part. I am awaiting any offer they might care to make." In response to the question of what kind of step it would take for a suspension of the bombing, the President of the United States answered, "Just almost any step. As far as we can see, they have not taken any yet." Evidently the President did not consider that Hanoi's dropping of all pre-conditions on negotiations, and their willingness to negotiate without a cessation in the American bombing, was significant enough to qualify as "Just almost any step."

The North Vietnamese have eliminated most of their preconditions to peace discussions, but, conversely, President Johnson has hardened our terms and imposed new conditions on the establishment of negotiations. The Administration now refuses to seek negotiations under conditions that it would have accepted a year ago. Perhaps the North Vietnamese do not sincerely want peace discussions and even if negotiations were established, the results might be disappointing. But we must explore *every* avenue to peace and we cannot afford to second-guess the outcome of a complex political situation.

In fighting a war, our position must naturally be flexible, but this does not mean that the truth must be flexible, that the truth

must be subservient to political motives. Every time that truth is distorted or denied us, we are denied a bit of our liberty. When government spokesmen misrepresent international situations and misrepresent our national intentions, they effectively greatly narrow alternatives to their policies. Many feel forced then, out of confuson and on the basis of no clear alternative, to endorse current policy.

Thus is created the tyranny of the "big lie"—a tyranny of "no alternatives," a tyranny that does not allow Americans the liberty of choice and that does not allow us effective voice in directing our nation's course. But an equally destructive consequence of this deliberate deception is the disillusionment it creates in the American people with their government.

We are engaged in a war with three fronts—economic, diplomatic, and military. We should be seeking the same objectives on all three fronts—the establishment of peace and stability. But if this objective is to be achieved, our efforts in all areas must be coordinated and complement each other. There is a great deal of evidence however, that indicates that at times when progress was hopeful on the diplomatic front, when the possibility of establishing negotiations was most promising, there was increased activity in the military area that eliminated the possibility of negotiation.

On November 20, 1965, Ambassador Goldberg was contacted by the Foreign Minister of Italy, Mr. Fanfani, then President of the United Nations General Assembly. Mr. Fanfani transmitted a message concerning Hanoi's strong desire for a peaceful solution and its position on negotiations. Secretary Rusk's reply to Mr. Fanfani's report was delivered to him in New York on December 6, and on December 13 our non-committal reply was delivered to Hanoi by Fanfani. But the promising escalation of peace efforts was destroyed by an escalation of military efforts that were not coordinated. Two days after Hanoi received our diplomatic response to its feeler, American planes for the first time bombed the Haiphong area, destroying a power plant 14 miles from this city.

We stopped bombing North Vietnam for 37 days in a pause that extended from Christmas 1965 through January 1966. On January 31, we resumed bombing—one day before Ambassador Goldberg was to present a resolution to the UN Security Council calling for Council action to arrange an international conference to bring peace to South Vietnam and Southeast Asia. The resumption of bombing at this point was interpreted by many as an indication of our insincerity and stands as another example of the thwarting of diplomatic efforts through lack of coordination with military policies.

Again in June of 1966 we forfeited the possibility of establishing diplomatic negotiations by escalating military actions. Late in June, Chester Ronning, a Canadian diplomat, returned from a diplomatic mission to Hanoi. Ronning had played important roles in the Geneva Conferences of 1954 and 1962, is considered to be one of the ablest interpretors of Asia, and is personally acquainted with many of the leaders in Hanoi and Peking. A Washington Post story dated June 25 quoted a Washington official as saying that the Johnson Administration recognized the potential importance of the fact that Hanoi readily received Ronning and was willing to talk to him. The article further stated that Canadian officials warned that any major military escalation by the United States could torpedo the Ronning operation.

Ronning's diplomatic mission was indeed torpedoed when on June 28 we initiated a major escalation on the military front by bombing the Hanoi-Haiphong area. Thus we have another example of the necessity to coordinate diplomatic and military efforts.

There is one final story of raised hopes that were shattered when, again, the bombs began to fall. In a Washington Post story of February 2, 1967, Secretary of State Dean Rusk was quoted as saying, "There's light there, even if some of the participants don't realize it. Your political instincts tell you there is a climate for settlement." Bill Moyers, the President's former Press Secretary, echoed this optimism: "For the first time since I came to the White House," Moyers said, "you can feel it around the building . . . There's light." A few days after these statements were made, the New Year's truce began, the U.S. halted the bombing raids, and hope for negotiations soared.

But evidently the climate for settlement that Mr. Rusk had sensed several days earlier had disappeared because the U.S. refused to extend the bombing pause in an effort to encourage peace talks. An anxious world beseeched the United States to make a positive step in the direction of peace, but the Administration stood adamant.

I have attempted today, to document two of my main objections to the way the Administration is conducting the war in Vietnam. First, I object to the Administration's lack of candor with the American people. Second, I object to the pattern of cancelling the possibility of peace negotiations by ill-timed military escalations.

My right to dissent from current Administration policies carries with it an obligation to suggest remedies or alternatives. In questioning the Administration's handling of the war, I have been detailing what should *not* be done. I will now tell you what I believe *should* be done.

I will outline my suggestions within the limits of the two possible methods of resolving this conflict. First, war can be ended by surrender of the enemy; by his total destruction; or by occupying his homeland. This the Administration has stated is not the ambition of the United States. According to the President, we are engaged in a limited war and we have no desire for military victory—to win and get out.

The second way war can be ended is through negotiated settlement. This then, must be the United States' goal as the President has eliminated the other alternative.

The question then becomes, "How do we achieve a negotiated settlement?"

There are a number of possible paths the United States could travel in its search for peace. Most promising of these I believe, would be cessation of the bombing of North Vietnam and a de-escalation of the war. It is the growing consensus of world leaders and others involved in the search for peace, that the main obstacle to negotiations is the refusal of the United States to halt the bombing of North Vietnam.

Three basic reasons have been given for our bombing policy. First, to stop the infiltration of North Vietnamese troops and supplies to the South; second to raise the morale in the South; and third, to demonstrate to the North the cost of continuing the war.

It is currently being debated by Defense Secretary McNamara and his Chiefs of Staff whether the bombing policy has much effect on the infiltration of troops and supplies. At the end of June 1966, McNamara admitted that, after all the bombing, Northern units in South Vietnam had increased by more than 100 percent since the first of the year. On November 5, 1966, McNamara stated that despite the bombing, infiltration continued without let-up: "They continue to infiltrate from the North to the South in large numbers, and they continue to bring in not only individuals by those infiltration routes but entire units, regiments of the North Vietnamese Army as well."

And, during closed hearings of the Senate Armed Services and Appropriations Committees in January, McNamara testified—"I don't believe that the bombing up to the present has significantly reduced, nor any bombing that I could contemplate in the future would significantly reduce, the actual flow of men and materiel to the South."

The Defense Secretary takes pains, however, to point out that the bombing has increased the *cost* of this infiltration. But I wonder if the price the North Vietnamese pay is comparable to the cost of this bombing policy to the United States. I'm not just referring to the loss of American pilots and the price tag on the aircraft and munitions. I am referring to the loss of world opinion that becomes greater with each bombing mission.

The second reason for our bombing policy—to raise the morale of the South—has evidently succeeded in raising the morale of the *politicians*, but has done little to affect the morale of the *people*. As to the third justification for bombing, I submit that dropping bombs on the North has not demoralized the North Vietnamese, but has increased their will to resist.

Our bombing has allowed the Communists to unite the various factions in North Vietnam *behind* Ho Chi Minh and *against* a common enemy. We have aroused a higher degree of nationalism and determination to resist than had previously existed.

In totaling up how effective the bombing policy has been in meeting its objectives, I believe it can be validly stated that this policy has met with little success.

Why, then, do we continue the bombing when it is largely unsuccessful in accomplishing its objectives and when we have been told repeatedly by numerous world leaders that peace talks would likely result if we stopped sending our bombers out on missions?

Perhaps the Administration feels that—despite current world opinion—negotiations would *not* result from a cessation in the bombing. But, even if this conclusion is valid, it does not justify *continuation* of the bombing of North Vietnam. The bombing policy, and the dangers inherent in this policy, can only be justified *if* it can be clearly demonstrated that bombing of North Vietnam *will* result in negotiations. I believe that the evidence very clearly indicates that our current level of destruction through bombing—and even an increase in the level of destruction—will not force North Vietnam to the negotiating table. Even if the Administration sincerely feels that a cessation in bombing would *not* result in negotiations, it cannot afford to leave any avenue to peace unexplored. The rest of the world is growing critical of our refusal to explore this possibility for peace, for it is clear to them that the risks involved in continued bombing outweigh the risks involved in a bombing pause. How great is the risk to the United States position when we have more than 400 thousand U.S. troops, 600 thousand South Vietnamese troops, and 500 thousand South Koreans in South Vietnam? Can the 280 thousand Vietcong and North Vietnamese gain a serious military advantage in the face of these forces and in the face of continued ground operations?

I truly wonder if the dangers in a pause in the bombing come close to approximating the dangers inherent in the strategy of escalation. The more we escalate the war, the more we reduce the possibility of negotiated settlement. I am not referring to the possibility of sudden uncontrolled escalations that would reduce North Vietnam to one giant bomb crater. I am referring to the psychology of slow escalation; of continuous military pressure with no pauses to allow Hanoi to move into negotiations from an honorable position. The more we escalate the war the more we make surrender the only alternative to continued fighting. You don't "negotiate" with a man while holding a gun to his head. You effectively draw the terms for his surrender. The more surrender becomes the only option to continuing the war, the more fierce the enemy's resistance will become and the more unlim-

ited the war will grow. An unlimited war may result in a military victory over North Vietnam but at what price? At the price of a ravaged nation and a shattered people? At the price of our own moral corruption?

A military victory over North Vietnam would not bring peace to the South. A defeated Ho Chi Minh, with his 50,000 troops returned to the North, would still leave 100,000 Vietcong and 150,000 civilian guerrillas continuing the war in the South.

I am convinced that the best hope for establishing peace negotiations lies in a cessation of bombing and a de-escalation of the war. But we must pursue other possibilities for initiating a peace dialogue.

The Administration has stated that we are willing to settle the war according to the terms of the Geneva Agreements of 1954 and 1962. A stated willingness to work within the framework of a Geneva Conference is not enough. We must actively promote the reconvening of the Conference and use all appropriate means to convince the members of the Conference of our sincerity and determination in seeking peace talks.

We should explore all the possibilities of using the framework of other international bodies to initiate peace discussions. Secretary General U Thant has undertaken many attempts to bring the parties of the conflict together for peace conversations and more than once the United States has refused a specific offer for negotiations that have been made through Thant. We must re-establish and re-emphasize our desire to go to any place, at any time and discuss with anyone the possibilities for peace. Since the 37 day bombing pause in early 1966 we have made no official attempt to engage this body in the search for peace. We should introduce resolutions before both the Security Council and the General Assembly that are designed to put the United Nations in an active and responsible role in initiating the talks.

These suggestions for soliciting the aid of international organizations in the search for peace have been made many times by many people. I believe that it is through such international and politically independent organizations that a peace settlement with equal justice for all parties is most likely to evolve.

In our search for an immediate end to the war in Vietnam through peaceful settlement, we must not overlook the very real possibility of our failure and the continuation of the war for many years. If efforts to initiate a dialogue for peace fails, we must be prepared to change our strategy in waging the war. The United States cannot afford the economic and manpower costs of a long war in Vietnam. Also, we cannot afford the resentment and tensions that would grow throughout Asia if our dominating military presence in this area was prolonged and increased. We must prepare for the long-term possibilities of the conflict in South Vietnam by encouraging the initiation of an all-Asian conference. At this conference, we would ask for the assistance of Asian nations in returning to them the primary responsibility for their own protection and for returning to them the leadership role we have assumed in their area.

The conference would work out plans for de-Americanizing the war in Vietnam and for the assumption by Asians of their responsibility for maintaining peace in their area of the world. President Marcos of the Philippines declared that there must be Asian solutions for Asian problems and we should do everything possible to encourage the Asians to begin assuming a more active role in peacekeeping efforts.

Specifically, out of this all-Asian conference should grow a detailed plan and schedule for the substitution of American troops in Vietnam by Asian troops. The President has warned us that the conflict in Vietnam could last for another 10 or 15 years and we should not wait another half-decade before taking positive steps to turn this war over to the people who have a primary stake in its outcome.

A second responsibility that the all-Asian conference should assume would be the initiation of an Asian diplomatic offensive to reduce tensions and misunderstandings between adversaries in the conflict and build a bridge of trust between the two sides so that the atmosphere for peace discussions is improved.

A third goal of the conference would be the creation of a framework for an eventual Southeast Asian common market based on agricultural economies. Our goal of peace and stability in South Vietnam will not automatically be reached with the conclusion of the present conflict. When the hostilities cease in South Vietnam, the prospects for continued peace will depend to a great extent on this area's ability to progress economically and to meet the rising expectations of its people. None of the countries of South East Asia is large enough to support strong and viable economies in the near future. Through tariff agreements and cooperative planning, however, these countries could coordinate the development of their individual and total resources. They should also be able to avoid the initial expense and long-term inefficiency of duplicating basic agriculture-oriented industries necessary to the development of each country.

South Vietnam must be economically stable if peace is to endure at the conclusion of the war. It must be politically stable also if it is to survive the political pressures and turmoil that are sure to surface when the military hostilities cease. If South Vietnam is to be capable of directing its affairs when the fighting stops, the United States must now relinquish its dominant control of political affairs and minimize its impact on other aspects of life in South Vietnam.

The United States and the South Vietnamese government are asking the people of that country to make great sacrifices in the name of democracy and independence. But they have never lived under democracy or independence and have little idea of what they are being asked to fight for. We must give purpose to their sacrifices by allowing them truly democratic institutions that they can believe in and be willing to defend. We must, to be specific, give our complete support during the coming elections for the establishment of civilian government in South Vietnam. Only a civilian government will be regarded by the South Vietnamese as having any autonomy from the United States and as having any responsiveness to their wishes.

The Administration has justified our involvement in this conflict as a defense of the independence of South Vietnam against the aggression of the North. But the South Vietnamese have no freedom for us to so gallantly protect. Our massive presence in this small country has effectively eliminated whatever sovereignty might have existed and the "independence" of South Vietnam is a fiction. How sovereign is a government that we dominate and that would collapse in days if we ceased supporting it? How independent are a people who now rely completely on a foreign nation for their defense and who must follow the orders issued by that nation? How independent is a country whose entire economy depends on benevolent subsidy by a foreign power?

If the people of South Vietnam are to believe in their own independence and be willing to fight for it, the United States must minimize its impact on Vietnamese life as much as possible and must not interfere with political processes of the country. A belief in and determination for independence cannot be compromised with the puppet government of a foreign power.

I have just outlined possible methods of achieving peace in South Vietnam through negotiations and through a change in our strategy designed to find an Asian solution for this basically Asian problem. But I do not believe that we will be successful in seeking peace through either method if we continue to misinterpret and distort the realities of this conflict; if we refuse to honestly admit our past miscalculations; and if we lack the courage to change the policies that have defeated our purposes since 1950. This is, I believe, where we must begin.

DI LUZIO SPEAKS OUT ON WATER POLLUTION CONTROL

Mr. BYRD of West Virginia. Mr. President, the Assistant Secretary of the Interior for Water Pollution Control, Mr. Frank C. Di Luzio, spoke before the North American Wildlife and Natural Resources Conference in San Francisco, Calif., on March 13, on the subject "Practical Steps Toward Pollution Control."

In his remarks, he pointed out that, with the legislation passed by the 89th Congress, it was hoped that there might be a "better orchestrated effort and more harmony" in water pollution control, explaining the practical applications of better orchestrated efforts and more harmony and discussing the future hope for effective control of water pollution.

Because of the continued responsibilities of the Congress in this area, I believe that Mr. Di Luzio's views are of special merit.

I ask unanimous consent that his remarks be printed in the RECORD.

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

PRACTICAL STEPS TOWARD POLLUTION CONTROL

(Remarks of Frank C. D. Di Luzio, Assistant Secretary of the Interior for Water Pollution Control, before the North American Wildlife and Natural Resources Conference, San Francisco, Calif., Mar. 13, 1967)

I greatly appreciate this opportunity to talk about "Practical Steps Toward Pollution Control" before this distinguished assembly of wildlife and resource authorities.

One need not look very far in any direction from any vantage point in the land to conclude that practical steps to control pollution have become an urgent need in this country.

PAST PERFORMANCE OF THE CONSERVATION COMMUNITY

Your part in this campaign to protect and promote environmental quality has not been an easy one. You have won some victories, but you may have lost even more. The quality of our environment has declined. For the most part, it has been a war of attrition and you have been on the losing side against the forces of "progress" and "economic growth"—conscious and unconscious—which erode the quality of our environment.

You have only to list some of the past battles lost—species wiped out or critically endangered by man—the passenger pigeon, health hen, whooping crane, blue whale, as well as the ruined rivers, the spoiled land, the disrupted ecosystems.

And as you and I look ahead, the road will not be easy nor the outcome certain. The future can go either way—for you or against you. Neither victory nor defeat is predetermined. All depends on human effort and the wise use of the knowledge which technology gives us.

The part you play will be critical in determining whether we promote economic growth, and at the same time, protect the quality of our environment, or, whether we

promote economic growth, but degrade our environment—our water, land, and air—with the result that our health, our economic growth and survival are ultimately threatened.

Although America's natural landscape contains great beauty and diversity, much of this can be lost and damaged through pollution, misuse and mismanagement. And we will not be able to escape, as we do now, by catching the nearest jet to some unspoiled, exotic island. Every part of the world will eventually face the same problem of maintaining quality, beauty and diversity in nature. We had better start managing wisely here at home to maintain an environment worth living in because escape will not be possible.

Until recent years, except for the conservationists and a few like-minded people in Government, not many people were concerned about the environment, except when it didn't behave to their liking. Air, land, water—these were thought to be inexhaustible resources provided for man's use and enjoyment. If a river was ruined for fish, that was thought to be one of the prices that had to be paid for progress. Ecology, if the word ever cropped up in the general hustle and din, was something for the biologists—or the birds.

However, a new era of environmental management and control has now arrived. Granted that this new age is still far less real in practice than in policy, still it has come, and it is here to stay.

And none too soon. Thoughtless misuse—even heretofore acceptable but thoughtless use of our air, land, and water resources—has reached a critical point. Pollution of the environment already constitutes a serious drag on the progress and well-being of our society. Not only are desirable uses of the environment curtailed by pollution, but even uses that fall clearly into the category of necessities are in many respects hampered or threatened.

You know the situation as well as or better than I, and you and I know how it came about. The important thing is what lies ahead in water pollution control. We have had the overture. The main symphony is now about to begin.

The conservation community has stirred up public reaction and awareness of pollution problems. But while molding public opinion, it was like an orchestra made up of virtuosos, each a master of a particular instrument, but each playing from his own music.

Now, with the legislation passed by the 89th Congress, we hope to have a better orchestrated effort and more harmony than discord in water pollution control.

The situation reminds me of the story about the piano-playing cat.

It seems that many years ago in the midwest there was a man who owned a tomcat which played the piano. Not only did the tomcat play the piano, but he played classical music.

A Greenwich Village impresario, upon hearing about the cat, was determined to hire him and visited the tomcat's owner to see about obtaining a contract for the cat to play in Greenwich Village. He asked the owner, "Will the cat play for me?" The owner replied, "He'll play for anybody." The cat then climbed upon the piano stool and started playing. The impresario was so overcome by the beauty of the music that he started talking to himself out loud: "The first thing I have to do is to get this cat under contract, and then have him orchestrated." The cat disappeared and hasn't been seen since.

The point is we must be careful and reasonable in our public statements on pollution control. Our terms must be explicit and understandable. Fancy terms may build unnecessary resistance and opposition.

We need more harmony among the voices which speak out on conservation and pollution problems.

We need better orchestration of effort—of words and actions—not only within the conservation community, but also between the groups involved in causing as well as curing our pollution problems—industry, agriculture, municipalities, Federal and State Government and the public as a whole.

FUTURE OF WATER POLLUTION CONTROL

Looking down the road a few years, there are many paths to travel toward effective water pollution control.

In the first place, there will be a greatly intensified effort to control pollution at the source.

Where needed, there will be larger and more effective municipal waste treatment facilities. More and more of these facilities will convert waste water into water of a quality suitable for limited reuse, particularly for recreation use. This is already being done on a sizeable pilot scale and will become practicable on a large scale in the near future.

At-source control of pollution from industrial plants will be attacked on two fronts: Through new or improved treatment methods and through process changes that will reduce or even eliminate the output of wastes requiring treatment.

We are conducting a study of industrial water pollution problems, and we hope to help industry pinpoint its specific marginal plants where increased costs for pollution control facilities would force a plant out of business. We will then try to help find solutions for these problems.

However, if we are to help industry, we must know more about the contents of industry's effluents and about the processes which produce them.

If industry expects us to help them, they must also help us by providing information about the chemical composition of their waste discharges and about the nature of the processes which generate these effluents. In this way, we can possibly make available research results and technical data to assist them in solving their pollution problem. Moreover, if we are going to be able to justify to the taxpayers and Congress the aid which we give to industry, we must be able to show the progress toward pollution control which we make in giving this aid. To evaluate our progress toward controlling industrial pollution, we must have more information about industry's effluents. Whatever data industry provides will be treated as proprietary information.

Among other things, thermal pollution is on the way out. With what we know about heat-exchange today, thermal pollution is already technologically inexcusable. It will become inexcusable from any standpoint in the near future.

At the same time, research will be intensified to control the less obvious, more exotic forms of pollution now resulting from complex manufacturing processes. Pollution control technology has lagged behind production technology, and a fast catching-up is in order.

In the second place, efforts will be intensified to reduce and control pollution from diffuse sources.

Through a combination of public pressure and improved technology, we can look forward to a progressive reduction in pollution, for example, from construction projects.

We are going to find some answers to the problem of the combination sewer which aggravates the pollution control problem in all of the older sections of our large cities. This will be brought under control through, in all probability, a combination of efforts. Better city sanitation, for example, would reduce the amount of pollution from the runoff from city streets. In some communities flushing the sewers at night when treatment plant capacity is largely unused may make sense. At the same time, through empoundments—both surface and underground—and by other means, pollution will be controlled for future treatment and release. A good deal of work is being supported in this area also, and there is more to come.

Improved land management with the specific objective of water pollution control is still another predictable development in the increasing effort to prevent pollutants from diffuse sources from trickling and pouring into our lakes and streams. An increased sense of responsibility on the part of the landowner—large and small—would be an invaluable contribution to the pollution control effort. The floating fence posts, broken boards, and other debris get into the water from somebody's land.

Finally, I think we can also foresee a greatly intensified effort to control pollution in our lakes, rivers, and streams themselves.

From any standpoint, one of the most urgent needs in water pollution control today is to slow up the eutrophication of lakes through overenrichment by agricultural and municipal wastes. Lake Erie is the most notable—and potentially tragic—example. But many others—large and small—are in the same desperate condition.

The speed of man-caused eutrophication can be slowed. The most obvious and most urgent need is to stop using such lakes as convenient sinks for wastes. Destratification, aeration, filtering, and other techniques are not beyond reach. Even eutrophication from natural causes can be slowed. The least we can do is to stop killing our lakes through penny-wise, pound-foolish waste disposal practices. Disposal is perhaps the wrong word. These wastes are hidden, not disposed of. They and/or their effects come back to haunt us.

Silting of both rivers and lakes is yet another pollution problem that can be dealt with through multiple approaches. I have mentioned better land practices and better construction practices. Here, too, there are opportunities for preventive action, as a backstop to other efforts. One approach that we are exploring is the use of polyelectrolytes to settle out the silt at selected locations so that it can be removed in bulk, economically.

NEED TO PROTECT AND EXPAND OUR ENVIRONMENTAL OPTIONS

In looking ahead, we need to protect and expand our environmental options and freedom of choice in future uses of nature.

The growth of population, of technology, and of human wants and needs has already foreclosed some of our choices for the future.

There is a range of possible future environmental options which we must try to keep open and expand if possible.

For example, some wilderness advocates might like to see all remaining undeveloped areas remain in wilderness while some development advocates might seek to whittle away at our remaining wilderness.

We need both—wilderness and development—as well as the range of choices in between. We need to preserve and expand all of our environmental options—all except for one—the destructive use of the environment and the use of the environment as a free sink for untreated waste. We want to foreclose this use before it forecloses all other uses.

Some conservationists say that we should leave things alone—that we should not use the natural environment.

But I believe in wise rather than nonuse of our resources.

I am a conservationist who believes that man should enjoy nature. I do not believe we should lock nature up so that man cannot use it.

I am not primarily interested in fish and wildlife for their own sake, but for man's

sake. The reason for this is that fish, wildlife, and nature are good for man. They are necessary for his well-being, both physically and spiritually.

The impression in many circles is that many purists want a cold trout stream behind every house—even in situations where they never occurred naturally. We know that every stream can't be a trout stream. Some never were in the first place, but no stream should be an open sewer.

Perhaps the purists expect too much from man. They tend to set unattainable—all or nothing—goals which we have neither the technical nor the economic means to support.

We must set before the American people conservation and pollution control goals which are attainable—technically and economically—but if improvement is to be made, they should also be difficult to achieve.

We should always reach into the future—out beyond what is comfortable, economically or technically. We should try for hard but achievable goals.

Conservationists are accused of favoring the interests of nature—of plant and beast—against the interests of man.

Yet, do these interests so irreconcilably conflict? Man is part of nature and his interests are served by environmental quality and healthy ecosystems. It is only where the interests of man are incorrectly seen that the interests of nature are thought to be in irreconcilable conflict with those of man.

Although nature may be at man's disposal, this doesn't mean it is meant to be his dispose-all.

Science and technology give man great power to control, destroy and create, and the question is: To what ends and how should he use this power?

Was it inevitable that the passenger pigeon and the heath hen became extinct or that the whooping crane be endangered? I think not.

Is it man's evolutionary mission to destroy and make extinct other species? If anyone thinks it is—he had better look at the long run effects of this attitude—since the destruction of man's environment points ultimately to the destruction of man himself.

It is imperative that we preserve our environmental choices, alternatives and options for the future and for future generations because it means the preservation of our freedom to choose. It means preserving to the best of our ability the freedom of future generations to choose what uses they wish to make of the environment.

Our problem is to preserve and expand our possibilities for choice of the uses which we make of the environment under conditions of rapid increase in population, in technology, in human needs, and in pollution.

We need to preserve and expand our environmental options while, at the same time, we also protect and promote our freedom of choice in the way we go about preserving these options.

Your role in promoting these freedoms is crucial.

STEPS TOWARD POLLUTION CONTROL

We live in a world where man's supply of resources is not unlimited, where further exploitation of scarce resources becomes more costly, and where his demands are increasing even more rapidly than population.

Basic scientific resarch and applied technology can help man to discover new sources of supply, new uses for old resources, and to develop substitutes for depleted resources. Development in science and technology will enable us to increase the levels of annual sustained yield of our renewable resources such as forests, fish, and wildlife and will help us to find new uses for these products. And science can, to a certain extent, discover substitutes for our depletable resources such as coal, oil, and minerals. Research can, in short, expand production and can help us to keep pace with increased demands.

But just as there are, ultimately, limits to our resources, there are also limits to what science and technology can do. There are limits to the ability of science to help us meet the growing demands associated with increased per capital consumption and increased population.

There are limits to the capacity of science to extricate us from any future mistakes which we may make in the conservation and management of our resources.

And we should not and cannot depend upon the scientists to save us from our mistakes.

We live in a world where there is a predicted doubling of the world's population by the year 2010—only some 40 years from now—with the associated increased demands which will be placed on our resources. We live in a world where the United States consumes a very large proportion of the world's resources. We live in a world in which there are and will be eventually limits to the ability of our resources and those of the world—even with the help of science—to satisfy the increased demands created by increased levels of consumption and increased population.

Given this situation, we must consider some of the practical steps and necessary elements for effective resource, conservation and pollution control policy.

Many of these activities, if they are being performed, are not carried out on a systematic basis for presentation to the American people.

We need to set forth our conservation and resource problems for the people of the United States on a regular, periodic basis, for discussion, debate, and decision.

Such statements of our resource and pollution problems should be based on estimates of: 1. the supply of and future demands for our resources; 2. the investments and activities required to "meet" these demands; 3. the limits to the satisfaction of these demands; and 4. the rough time span within which the limits for each resource will be reached. The statement should also set forth the alternative means for solving these problems as well as the advantages and disadvantages of the various solutions.

What is needed is a periodic statement of national, regional, state, and local resource, conservation and pollution problems, trends, needs and goals, alternative solutions, and recommendations for a long-range balanced program for research, planning, and action.

For example, we need to estimate the extent of each of our renewable and non-renewable resources, and the future demand for these resources based on such factors as population increase as well as increases in per capita consumption.

Based on these estimates, we need to calculate the limits to the fulfillment of the estimated future demand for each resource. We should, for example, attempt to estimate within a rough timespan—for instance, 25, 50, 75, 100 years—the periods during which we will reach the limits to the satisfaction of the demands for each of our renewable as well as unrenewable resources.

For example, we should know for each renewable resource—given the necessity for maximum sustained yield of that resource—the rough time span during which the estimated demand for that resource will exceed our calculations for maximum annual harvest compatible with maximum sustained yield over the years. We should also calculate for our non-renewable resources the rough time span during which projected demand will exhaust these resources.

We should then compile lists of priorities for conservation based on earliest estimated depletion date, there being some resources which will be in danger of depletion sooner than others.

In addition to designing and implementing programs to "meet demands" for resources, we need also to look at the problem of slowing down the rate at which rapidly expanding populations put pressures on the environment for resource supply and waste disposal—for production in industry and agriculture, for transport and communications, for recreation, and, for getting rid of the waste products of all this activity.

We need to present to the American people—for decision and action—a periodic statement of our environmental options and of the alternative future environments which we can choose to foreclose or expand.

The conservation community can play a crucial role for the American public by helping to prepare, present, and choose among these alternative future environments.

For there are limits and we have already reached and passed some of them—in air, water, and land pollution—in the species destroyed or endangered.

Moreover, some of these passed limits are irreversible. The destroyed and endangered species are "early warning" signals which will teach us—if we will learn—that we are mismanaging our environment. If we ignore these signals, we do so at our ultimate peril.

The displeasing and unaesthetic environment can serve as an early warning signal for problems of environmental survival.

You have awakened Americans to the aesthetic elements, to the beautiful in man's environment and you have attempted to cure man's loss of sensitivity to natural beauty—a loss of sensitivity largely caused by a degraded environment and preoccupation with material gain.

You have done these things not only for their own sake, but also because the loss of this sensitivity may ultimately affect man's survival.

For the loss of man's aesthetic sensitivity means that man is less likely to heed early warning signals which ultimately affect his survival. And, by the time he does become aware that his survival is at stake—in problems of air, water, and land pollution—it may be too late. Irreversible and malign effects may have been created in nature.

It is still an open question whether we will learn to live in harmony with nature and our environment, or will irreversibly damage and destroy it and, in the process, ourselves.

RESPONSIBILITY OF THE CONSERVATION COMMUNITY

Looking at the specific problem of water pollution control, I would like to outline what needs to be done and how the conservation community can help.

We need research, planning, and operations in many different areas—with regard to public attitudes, water quality standards, enforcement, river basin planning and in the creation of institutions to carry out these functions on an integrated and coordinated basis.

This will require the cooperation and coordination of all levels of Government and sectors of society—including the conservation community, industry, agriculture, municipalities and the public.

If we are to have economic growth, and at the same time, protect and promote environmental quality, we must adopt and implement new attitudes toward nature. These attitudes contain principles for managing the environment which the conservation community has helped to develop and must continue to stress to the public.

These principles include:

The necessity to calculate the long run effects of proposed actions on the total environment and ecological system.

Economic growth *plus* environmental quality.

The environment should not be used as a free sink for untreated waste.

The pollutee should not bear all the costs of pollution.

Man is part of nature, and, rather than having a mission to destroy his environment, should live in harmony with it—creatively, with the forces which work in nature—rather than trying to dominate and destroy.

In addition to developing principles for wise resource management, the conservation community has a critical role and responsibility in implementing these principles in many elements of the water pollution control program—through, for example, helping to create institutions for water resources planning, through planning for resource use in general and through participation in the hearings on water quality uses now being conducted in the various states.

The period from now until June 30 is a critical one for deciding on water quality uses in the States and I hope you will take an active part in these hearings.

Many conservation organizations helped to produce, with the Izaak Walton League, the very useful "Citizen Guide to Action for Clean Water." This guide contains a check list which, if implemented by the conservation community throughout the United States, would give an immense boost to cleaning up America's waters.

To date, twenty-two States have proposed water quality standards which are now being reviewed by the Federal Water Pollution Control Administration. The remaining States have yet to submit their standards.

The conservation community should take an active part in these hearings which, in effect, will set standards for determining what uses can and will be made of our water resources in the United States.

I encourage you to help the public: first, to inform themselves about local water pollution problems, needs, and goals; second, to organize themselves for action; and, third, to produce action by local government for clean water.

CONCLUSION

I see nothing but an acceleration of the anti-pollution effort in the years ahead.

The American people want effective and timely water pollution control, and I am convinced that by and large they are willing to pay for it. The same holds true for all environmental pollution.

We have effective Federal legislation on the books—legislation that was years in the making. We have a new attitude toward pollution on the part of State and municipal governments. This is far from a totally united front yet, but it is coming.

And we have increasing evidence of a new attitude on the part of business, industry, and agriculture. This, too, is far from constituting a united front. But not so many years ago there was an almost united front on the part of business and industry against water pollution control. Now the winds of business and industry policy are shifting.

Much of what has been accomplished is the result of the work of the great conservation interests of this country. Now, the conservationists have some important new allies. Now the voices have been orchestrated. The task will not be easy. It will not be accomplished in a few months or even a few years. But it can be done, and much of it can and should be done in a few years.

In closing, my only counsel—counsel that I daresay is superfluous—can be summed up in a few words. Be reasonable in your goals but impatient for results. Keep up the pressure for the things that you know can be done now. Do not settle for half measures, when you know that full measures are both needed and possible. It is our job in the Government to spearhead the drive, with a carrot and a stick, to clean up America's waters. With your continued help, and general public understanding and support, we can and will.

SMOKE FROM "GUNSMOKE" LINGERS ON

Mr. BYRD of West Virginia. Mr. President, following my Senate floor remarks reporting my enjoyment as a viewer of the weekly television program "Gunsmoke," and my hope that the series could be continued, some ripples of notice made their appearance in my home State of West Virginia. Or perhaps I could more appropriately state that additional smoke began to waft its way upward in the wake of my comments on "Gunsmoke." Among the more recent of these notices, I call attention to the March 12 editorial in the Sunday Gazette-Mail, Charleston, W. Va., which really adds a "smokey" chapter to the "Gunsmoke" saga.

In an effort to clear away the smoke, I wish to say, "Ah, shucks, fellows, can't a chap just plain enjoy watching a rootin-tootin westerner without having his psyche scrutinized?"

I am happy to note that the editors of the Fairmont, W. Va., Times; the Weirton, W. Va., Daily Times; the Martinsburg, W. Va., Journal; and the Williamson, W. Va., Daily News, seem to have had no trouble in grasping that innocent possibility, as shown by their remarks in their respective editorials of March 13, March 14, March 15, and March 16, respectively.

I ask unanimous consent that all these editorials be printed in the RECORD.

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

[From the Charleston (W. Va.) Gazette-Mail, Mar. 12, 1967]

THESE FACTS MAY CHANGE BYRD'S "GUNSMOKE" STAND

The Washington Post, which referred to West Virginia's Sen. Robert C. Byrd as a man of narrow vision, simply doesn't know the breadth of the senator's interests.

Sen. Byrd's courageous demand that "Gunsmoke" be returned to television will stand as an example, we suspect, to millions of steely-eyed viewers who Support Their Local Police by vicariously gunning down the lawless mobs threatening the tranquility of Dodge City.

This being the probable case, it is with heavy heart that we point out to Sen. Byrd some facts that might have escaped his innocent eye.

To begin, there is a clear implication in very nearly every "Gunsmoke" plot that Marshal Matt Dillon's relationship with Miss Kitty is something other than platonic. To put it coarsely, there is hanky-panky that is obvious to any eye except that of a U.S. senator anxious to find wholesomeness in every situation.

Another thing Matt Dillon has been known to associate with Indians who, of course, are nonwhite. Dillon's behavior in these instances has differed from the most insufferable civil rights demonstrator, and on several occasions he has shot and killed white men while protecting his nonwhite friends.

And finally, what of Sen. Byrd's own cherished "Man in the House Rule" which denies District of Columbia welfare payments to any family in whose home an inspector finds a man? Miss Kitty's status as a possible welfare recipient is clouded somewhat by this rule.

Armed with the foregoing information, Sen. Byrd, we believe, can make a more reasoned analysis of the cowboy show whose return to television he asked in a Senate speech. He might even change his mind about permitting American citizens to view it.

[From the Fairmont (W. Va.) Times, Mar. 13, 1967]

HAZARDOUS CRITICISM

Looking for any excuse to put Sen. Robert C. Byrd in a bad light, the Charleston Gazette and the Morgantown Dominion-News have attempted to read something sinister into his speech a few days ago on the Senate floor in defense of the television show, "Gunsmoke."

Somehow the Charleston-Morgantown anti-Byrd axis equates his remarks with the West Virginia senator's stand for law enforcement. The manner in which Marshal Matt Dillon disposes of the forces against law and order appeals to Byrd, these editors believe, because he has spoken out against court decisions which seem to put enforcement agencies at a disadvantage in their constant war against criminals.

We have a feeling that Senator Byrd put in a good word for "Gunsmoke" simply because he likes to watch it and without special reference to its sociolegal aspects. In challenging Byrd's support of the popular horse opera, the Charleston and Morgantown editors are risking alienation of all "Gunsmoke" addicts in West Virginia.

And they could be as numerous as those who have elected Robert Carlyle Byrd to every office he ever sought, including the 515,015 who voted for him for the Senate in 1964.

[From the Weirton (W. Va.) Daily Times, Mar. 14, 1967]

MATT DILLON RIDES AGAIN

Marshal Dillon, Festus Hagin, Doc Adams and Kitty Russell have a great champion in Sen. Robert C. Byrd (D) of West Virginia.

He helped rescue them from a CBS order for cancellation of their program. CBS reversed its cancellation order and found a spot for Gunsmoke on Monday nights.

There is so much mediocrity in television programs that the cancellation of Gunsmoke provided a storm of protests. Many critics considered it the best weekly program on television. The Fairmont Times lamented that the loss of Gunsmoke would be a "major tragedy in the field of television."

Sen. Byrd fired a few verbal rounds on the Senate floor in protest to the cancellation of Gunsmoke.

He has been a regular viewer of Gunsmoke on Saturday nights.

In his Senate address, he declared that the termination of Gunsmoke was "a major down-grading of television entertainment."

He questioned the accuracy of ratings that threatened to gun down TV's best known dispenser of frontier justice.

Sen. Byrd has been a champion of the lawmen and a severe critic of the Supreme Court decisions on the arresting and questioning of criminal suspects by the police.

[From the Martinsburg (W. Va. Journal, Mar. 16, 1967]

SENATOR BYRD AND "GUNSMOKE"

West Virginia's Senator Robert C. Byrd has added to his laurels on the national level as being one of the saviors of "Gunsmoke," perennial western of television fame.

It seems that after the network which had carried the series for some dozen years announced that it would be discontinued after this season, Senator Byrd took to the Senate floor and let it be known that he enjoyed watching "Gunsmoke" and hated to see it leave the air. This apparently became a rallying point for "Gunsmoke" lovers throughout the nation and such a hue and cry went up that the network made one of its rare decisions to reverse itself so that "Gunsmoke" with its Marshal Matt Dillon, Kitty and "Doc" will be back with us again for at least another season.

Maybe Senator Byrd shouldn't have taken up the time of the Senate with a speech on such an irrelevant subject, although it was

probably better than a lot of the performances which occur there, but it is truly silly the way a couple of Democratic newspapers in West Virginia whose editors don't like the senator to use this as an excuse for trying to claim that the reason Senator Byrd wanted "Gunsmoke" to continue was that he likes the rather free-wheeling methods by which Marshal Dillon enforced the law in the old west.

How ridiculous can you get? Didn't this pair of editors ever stop to think that maybe Senator Byrd happened to like Matt, Kitty and "Doc" in the same way that many millions of us have for many years and we just hate to see such old friends depart? If this is all these newspapers can find to write against Senator Byrd, then his slate must be pretty clean.

[From the Williamson (W. Va.) Daily News, Mar. 16, 1967]

HAZARDOUS CRITICISM

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And they could be as numerous as those who have elected Robert Carlyle Byrd to every office he ever sought, including the 515,015 who voted for him for the Senate in 1964.—Fairmont Times.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON THURSDAY

Mr. PROXMIRE. Mr. President, I ask unanimous consent that following the transaction of morning business on Thursday, March 23, 1967, I be recognized for 15 minutes.

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

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there is no further business to come before the Senate, I move that it stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 24 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, March 22, 1967, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

Congressional Scholars Program

EXTENSION OF REMARKS
OF
HON. JOHN R. DELLENBACK
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1967

Mr. DELLENBACK. Mr. Speaker, with its many blessings and what we Oregonians consider points of superiority over most of the rest of the Nation, Oregon does have the factor of being located a considerable distance from our Nation's Capital. There are those who would consider this one of Oregon's blessings, but it does make it difficult for our schools' young people to learn first hand the operations of our National Government.

In an effort to make this National Government come clear and alive to many of Oregon's young people, Mrs. Dellenback and I have instituted a program which we call our congressional scholars program. We asked the school authorities of Oregon's Fourth Congressional District to select from representative high schools all over the district a total of eight high school juniors. We specified only that the young people selected be particularly able to learn and profit from a week in the Nation's Capital and that they be willing and able to pass along to their fellow students in their respective counties what they learned here. Transportation expenses would be taken care of by the education districts involved. While in Washington the scholars would be guests of the Dellenback family.

From some hundred or so applicants, eight outstanding young people were selected by Oregon school authorities as such congressional scholars. Last week Mrs. Dellenback, the children, and I were pleased to have living in our home with us four of them; namely, David Anderson, of Coos Bay, Oreg.; Rosalie Neal, of Brookings, Oreg.; Michele Roberts, of Ashland, Oreg.; and Douglas Robertson, of Springfield, Oreg. We were impressed and thrilled with each of these young people.

This week we have the pleasure of having with us the remaining four; namely, Peter Jensen, of Medford, Oreg.; Bruce Johnson, of Eugene, Oreg.; Steven Milleman, of Murphy, Oreg.; and Randy Stockdale, of Reedsport, Oreg. Again we have been impressed and thrilled with these young people and their promise of future contributions to good government.

While here we have sought to give these scholars an opportunity to meet some of the people and observe some of the procedures and structures through which and in which our National Government lives and performs its functions. Both they and we have been busy.

In part I mention this program today with the thought that other Congressmen might be intrigued by the idea and become involved in and improve on the basic idea for residents of their own districts. I know that such involvement has been a most satisfying experience for the Dellenbacks.

Tax Deduction for Education of Children

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1967

Mr. FINO. Mr. Speaker, I have today reintroduced my bill to amend the Internal Revenue Code to permit a taxpayer to deduct tuition expenses paid by him for the education of his children.

To many middle-income and low-income families, there is no greater financial sacrifice than that they must be made to send children to college. These days, the cost of education is going ever higher. This can only increase the already great strain on hard-pressed parents.

There are many ways that the Federal Government can aid education, but this seems to me one of the best. It would directly reduce the cost of putting one's children through college. It would put Federal assistance where it would do the most good, by reducing the taxes of those families who scrimp to push their children along the educational path to the American dream. This is far more to the point than the sort of Federal aid which, although well meant, loses its shape and substance in an administrative morass—governmental or academic. I strongly urge the Congress to make tuition payments on behalf of one's children tax deductible.

Henry Stimson and Lyndon Johnson

EXTENSION OF REMARKS
OF
HON. GEORGE E. BROWN, JR.
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1967

Mr. BROWN of California. Mr. Speaker, one of my deepest concerns has been and will continue to be the continued escalation of the war in Vietnam. In that regard, the future appears dismal at best. There is wide agreement on the essential truth that there will be no peace in Vietnam without meaningful compromise. I direct my remarks to all participants engaged in that tragic war when I say that the dogmatic, hardline attitude which presently prevails must give way to meaningful and fruitful compromise. Otherwise, the slaughter of friend and foe—including many inno-