By Mr. WILLIAMS of Pennsylvania:

H.R. 8805. A bill to repeal the authority for the current wheat and feed grain programs and to authorize programs that will permit the market system to work more effectively for wheat and feed grains, and for other purposes; to the Committee on Agriculture.

By Mr. ANDERSON of Illinois:

H.J. Res. 515. Joint resolution requesting the Department of Defense to use butter in its rations; to the Committee on Armed Services.

By Mr. FRIEDEL:

H.J. Res. 516. Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical and mechanical office equipment for the use of Members, officers, and committees of the House of Representatives, and to remove specific limitations on electric typewriters furnished to Members; to the Committee on House Administration.

By Mr. HORTON:

H.J. Res. 517. Joint resolution authorizing and requesting the President of the United States to issue annually a proclamation designating June as "Amyotrophic Lateral Sclerosis Month"; to the Committee on the Judiciary.

By Mr. McFALL:

H.J. Res. 518. Joint resolution requesting the Department of Defense to use butter in its rations; to the Committee on Armed Services.

By Mr. REINECKE:

H.J. Res. 519. Joint resolution to create a joint congressional committee to study and report on problems relating to industrywide collective bargaining and industrywide strikes and lockouts; to the Committee on Rules.

By Mr. ASHMORE:

H. Con. Res. 317. Concurrent resolution expressing the sense of the Congress with respect to the United Nations sanctions against Rhodesia; to the Committee on Foreign Affairs.

By Mr. COLMER:

H. Res. 441. Resolution amending the Rules of the House of Representatives relating to germaneness; to the Committee on Rules.

## MEMORIALS

Under clause 4 of rule XXII,

148. The SPEAKER presented a memorial of the Legislature of the State of Colorado, relative to amending the Highway Beautification Act of 1965, which was referred to the Committee on Public Works.

## PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ADDABBO:

H.R. 8806. A bill for the relief of Dr. Henry B. So; to the Committee on the Judiciary.

By Mr. BRASCO:

H.R. 8807. A bill for the relief of Girolamo Scardino; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 8808. A bill to permit the vessel *Defiant* to be documented for use in the fisheries and coastwise trade; to the Committee on Merchant Marine and Fisheries.

By Mr. FISHER:

H.R. 8809. A bill for the relief of Maj. Hollis O. Hall; to the Committee on the Judiciary.

By Mr. GUDE:

H.R. 8810. A bill for the relief of Young Kwon Chun and Dong Seung Chun; to the Committee on the Judiciary.

By Mr. HUTCHINSON:

H.R. 8811. A bill for the relief of Cornelis de Geus; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 8812. A bill for the relief of Ilona Diaz; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 8813. A bill for the relief of Giorgio Biagini; to the Committee on the Judiciary.

H.R. 8814. A bill for the relief of Mrs. Annette Velia Marjorie Cable Biagini; to the Committee on the Judiciary.

By Mr. POLANCO-ABREU:

H.R. 8815. A bill for the relief of Dr. Newton Marten-Ellis; to the Committee on the Judiciary.

H.R. 8816. A bill for the relief of Dr. Guillermo Sardinas Perez; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 8817. A bill to grant commissary, post exchange, and ship's store privileges to Roswell Kelly; to the Committee on Armed Services.

# SENATE

## WEDNESDAY, APRIL 19, 1967

The Senate met at 11 o'clock a.m., and was called to order by the President pro tempore.

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

Eternal God, in this hour of the world's deep distress we turn to Thee, mindful of our insufficiency. We are but broken reeds, lashed by wild winds that mock our boasting pride uttered in days of calm. The arm of flesh is futile. Thine alone, O Lord, is the greatness and the power and the glory and the victory. Thou only art as the shadow of a great rock in a weary land. We are humbly grateful that our America still stands with lamp held aloft, a beacon of freedom for all the earth.

Send us forth to waiting tasks, conscious of a great heritage worth living and dying for, and with a deathless cause that no weapon that has been formed can defeat.

We lift our morning prayer in the dear Redeemer's name. Amen.

## THE JOURNAL

On request of Mr. BYRD of West Virginia, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 18, 1967, was dispensed with.

## MESSAGES FROM THE PRESIDENT

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

## LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that statements made during the transaction of routine morning business be limited to 3 minutes, following the speech that is to be delivered by the distinguished Senator from Maryland [Mr. TYDINGS] under the order previously entered.

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

## RECOGNITION OF SENATOR TYDINGS

The PRESIDING OFFICER. Under the order previously entered, the Chair recognizes the Senator from Maryland.

## VALIDITY OF CONSTITUTIONAL CONVENTION PETITIONS REGARDING REAPPORTIONMENT

Mr. TYDINGS. Mr. President, several weeks ago the distinguished Senator from Wisconsin [Mr. PROXMIRE] and I called attention, on the floor of the Senate, to the clear possibility that we are approaching another chapter in the battle against malapportioned State legislatures. We noted that 32 State legislatures had, at that time, apparently petitioned Congress to call a convention to propose specific amendments to the Constitution dealing with legislative apportionment.

If two more State legislatures petition Congress for a convention dealing with any aspect of legislative apportionment, I expect that the same forces which were defeated twice during the 89th Congress in their attempts to authorize legislative malapportionment will rush back to the floor of the Senate demanding that Congress immediately call a constitutional convention. Their arguments, no doubt, will be deceptively simple. They will cite article V of the Constitution:

> The Congress . . . on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments.

They will contend that 34 valid petitions had been received, and that Congress must immediately call a convention.

Mr. President, we in Congress must be prepared for this new assault on the principle of one-man, one-vote. These latest tactics present gravely disturbing questions which have potential impact far beyond the apportionment issue itself. I should like to explore these questions today—before any resolution is before us in Congress—so that we might calmly examine the merits of the possible demands for a convention before the proponents attempt to stampede us into convening an ill-considered constitutional convention.

I wish to discuss two questions today. These are not the only questions regarding the validity or meaning of the petitions now before Congress, but I believe these questions have particular importance. The first question I wish to discuss today is, Should Congress regard as invalid petitions from malapportioned legislatures calling for a constitutional amendment to authorize malapportionment? In my judgment, the answer is "Yes." Both the distinguished Senator from Wisconsin and I took this position on the Senate floor several weeks ago. Today I shall spell out in somewhat greater detail my justification for this position.

I begin with the premise that a malapportioned State legislature abridges the fundamental rights of citizens living in more populous, underrepresented districts. As the Supreme Court stated,

in *Reynolds* v. *Sims*, 377 U.S. 533, 567 (1964):

To the extent that a citizen's right to vote is debased, he is that much less a citizen.

Malapportioned legislatures brought a vast number of political injustices to citizens in underrepresented districts, both through legislation favoring overrepresented interests and through failing to enact legislation on behalf of underrepresented interests. But these injustices cannot as a practical matter be erased by a stroke of the pen—either in the courts, or in Congress. As a Federal court of appeals has stated, to rule invalid all legislative acts—or even those acts which appeared to favor overrepresented interests—passed by malapportioned legislatures "would produce chaos." *Ryan* v. *Tinsley*, 316 F. 2d 430,432 (11th Cir. 1963). Moreover, it is not necessary to resort to this extreme step. The many injustices of malapportionment can, I believe, in most cases be substantially corrected simply by election of new State legislatures under constitutionally sanctioned apportionment.

In certain circumstances, however, malapportioned legislatures can take action which flagrantly violates the citizens' right to equal representation and which even after reapportionment cannot readily be corrected. The courts have recognized this problem, and have acted to protect the rights of State citizens to equal representation by forbidding such action by malapportioned legislatures.

A Georgia case illustrates this. In Toombs against Fortson, a three-judge Federal court enjoined the Georgia General Assembly from calling a constitutional convention to revise the State constitution "until the general assembly is reapportioned in accordance with constitutional standards." In its order, the court stated:

We do not feel that it would be proper to permit such new constitution as may be proposed to be submitted to the people for ratification or rejection when it is, as is the case here, proposed under conditions of doubtful legality by a malapportioned legislative body. (Order dated June 24, 1964, Civil Action No. 7883.)

As this order was being appealed to the Supreme Court of the United States, a new election was held in Georgia. The Supreme Court remanded the case for a determination whether, in view of the new elections, the order was still necessary. (379 U.S. 621 (1965).) As Mr. Justice Harlan pointed out in his dissenting opinion, this disposition clearly indicated that the lower court could properly issue the injunction.

Action by a malapportioned legislature to undermine the constitutional principle of one-man, one-vote is, of course, the most direct and flagrant abridgment of this constitutional right. Every first-year law student knows the basic principle of equity that a claimant "must come into court with clean hands" before the court will hear his claim. In my judgment, no illegally apportioned legislature has "clean hands" in calling for a constitutional convention to legitimize its own illegality. A malapportioned legislature may be competent, pending its reapportionment, to pass legislation generally. But such a legislature has no competence to initiate amendments to the Constitution to make legal its own illegality. A three-judge Federal court in Utah has clearly recognized this principle. In *Petuskey* v. *Rampton*, 243 F. Supp. 365, 373 (1965), the Court stated:

Well-known general principles of equity require that the [malapportioned] legislature not consider or vote upon any proposal to amend the Constitution of the United States on the subject of legislative reapportionment.

Accordingly, Congress should refuse to accept from a malapportioned legislature "any proposal to amend the Constitution of the United States on the subject of legislative reapportionment.

The Petuskey case reveals the strategy followed by proponents of a constitutional convention for adoption of a malapportionment amendment and provides an additional argument for holding convention petitions invalid. In 1964, the court observed the following, regarding the State legislature:

We note here the somewhat widespread public statements of some persons who are, or may be, charged with the responsibility of law-making that reapportionment is a subject upon which they are "willing to drag their feet" or to "await potential changes in the federal law or Constitution."

A year later, when the State legislature remained malapportioned, the court stated:

For a very long period of time all efforts to obtain a constitutionally apportioned legislature in this State have been frustrated.

The court then observed, in a footnote:

It is interesting to note the speed by which the last State legislature memorialized Congress to call a constitutional convention to provide for reapportionment "on factors other than population" . . . compared to the Legislature's hesitancy to properly reapportion under the mandate of this court.

This pattern of hostility to court orders for reapportionment, attempts to delay implementation of those orders, and feverish activity to force a constitutional amendment legitimizing malapportionment was repeated in other State legislatures across the country, including my own. Of the 29 State legislatures which have petitioned for a convention to propose a constitutional amendment to authorize apportionment on "factors other than population," 23 were unconstitutionally apportioned at the time the petition was approved; 13 of those 23 legislatures were under court orders to reapportion, and litigation was pending in the other 10. Moreover, 24 of these 29 petitions were passed in the same year, 1965, in legislative sessions immediately following the Supreme Court's decision in Reynolds against Sims which elucidated the one-man, one-vote principle. These petitions were passed in haste, without the measured deliberativeness which should accompany the weighty responsibility of proposing an amendment to the Constitution of the United States.

We must not forget that, although the reapportionment decisions were welcomed by the great majority of citizens in this country, those decisions were most unpopular among the defeated litigants—the malapportioned State legislatures themselves. These defeated litigants had many reasons to resent and to oppose the reapportionment orders. For many rural legislators, the orders meant that they would lose their jobs. For many who might expect to be reelected in a constitutionally apportioned legislature, reapportionment nevertheless meant the disappearance of the old coalitions of overrepresented interests which give them effective power. In addition, many court orders required special sessions of State legislatures to adopt reapportionment plans. As we in this Chamber know, special sessions are not particularly popular among legislators. Petitions to legitimize malapportionment which were approved under these circumstances were, in truth, little more than sullen gestures of annoyance, and defiance. These petitions were passed without the calm, unhurried exploration of merits and demerits which should properly accompany the proposal of a convention to amend the Constitution of the United States.

Because of the circumstances in which most of these petitions were approved, I believe that the Congress should disregard them. Because most of these petitions were approved by unconstitutionally apportioned legislatures, in flagrant disregard of the rights of all citizens within the States for equal representation, I believe that the Congress must disregard them.

There is an additional, compelling reason that Congress should disregard petitions submitted by malapportioned legislatures. In judging the validity of petitions for constitutional convention, submitted by State legislatures under article V, Congress clearly has the authority to rule out petitions on the ground that circumstances which led to their submission have materially changed. This authority is precisely analogous to Congress power, upheld by the Supreme Court, to disregard the ratification by the Kansas Legislature of a constitutional amendment—dealing with child labor laws—after circumstances which had led to the proposal of the amendment had materially changed. Chief Justice Charles Evans Hughes, speaking for the Court in *Coleman* v. *Miller* (307 U.S. 433, 453 (1939)) stated:

When a proposed amendment springs from a conception of economic needs, it would be necessary to consider the economic conditions prevailing in the country, [and] whether these had so far changed since the submission as to make the proposal no longer responsive to the conception which inspired it . . . This question can be decided by the Congress with the full knowledge and appreciation ascribed to the national legislature of the political, social and economic conditions which have prevailed during the period since the submission of the amendment.

I submit, Mr. President, that the reapportionment of State legislatures which had submitted petitions to avoid such reapportionment is a political and social condition which has "so far changed since the submission—of the petitions—as to make the proposal no

longer responsive to the conception which inspired it." These petitions must be disregarded because the State legislatures which approved them no longer exist. Of the 23 malapportioned legislatures which approved "factors other than population" petitions, 19 are now constitutionally apportioned and elections under the new apportionment have been held. In two other States, elections are soon to be held. If a convention to change the present constitutional principles of apportionment is to be proposed by any of these states, these reapportioned legislatures shall consider the question.

The decision of the Supreme Court in *Dillion* v. *Gloss*, 256 U.S. 368 (1921) is also directly in point. In that case, which upheld Congress' power to place a specific limit on the time permitted for State legislatures to ratify the 18th amendment, the Court stated at p. 375—

> An alteration of the Constitution proposed today has relation to the sentiment and the felt needs of today, and . . . , if not ratified early while that sentiment may fairly be supposed to exist, it ought to be regarded as waived, and not again to be voted upon, unless a second time proposed by Congress.

In that case, the time limit was 7 years. Here most State legislatures have petitioned Congress within the past 2 or 3 years. But the principle still applies to invalidate these petitions. It is not the lapse of time, but rather the lapse of the malapportioned legislatures themselves which clearly indicated that the same "sentiment" in the newly apportioned legislatures may not "fairly be supposed to exist." These petitions, therefore, "ought to be regarded as waived, and not again to be voted upon, unless a second time proposed" by a constitutionally apportioned State legislature.

Based on the considerations I have discussed, which in my view demonstrate the manifest invalidity of petitions dealing with reapportionment submitted by malapportioned legislatures, at the present time the Congress has before it only six valid petitions from State legislatures for a convention to propose an amendment authorizing apportionment on factors other than population and no valid petitions whatsoever for a convention to propose an amendment depriving Federal courts of jurisdiction regarding legislative apportionment. Thirty-four valid petitions—two-thirds of the several States—are, of course, required before Congress must consider calling a convention. At the present time, we are a long way from that number.

Mr. PROXMIRE. Mr. President, will the distinguished Senator from Maryland yield?

Mr. TYDINGS. I yield.

Mr. PROXMIRE. Mr. President, I warmly and enthusiastically commend the distinguished and able Senator from Maryland for the fight he is leading against what could be a real constitutional nightmare. I believe this fight is one of the most important services that has been rendered to the Senate and the country.

It is interesting to note that even now the proponents of memorials calling for a constitutional convention are proceeding on the assumption that such a convention will not be held.

In Wisconsin, the major proponent of the constitutional convention is one Robert Knowles. Who is Robert Knowles? He is the majority leader of the State Senate in Wisconsin. He is the brother of the Governor of Wisconsin. He is a man who has been identified with this fight for at least 2 years. He is extraordinarily intelligent and able.

I think that if any State legislator in the country can be said to be aware of what the implications might be, it is Robert Knowles. Yet when he testified before the State Senate Judiciary Committee in Wisconsin, he said that it was his belief such a convention would not be held.

It seems to me that this raises a serious question as to the validity of a petition from Wisconsin in the event the Wisconsin Legislature, heaven forbid, should ask this body for a convention. It would appear to me that many of the States acting on these memorials are doing so in the belief that they merely serve to let Congress know of State concern. This belief, in and of itself, makes these memorials questionable as a basis for calling a constitutional convention. Apparently, many of the States passing the memorials had no such intention.

As I say, Mr. Knowles is a man who speaks not with any failure to understand the situation, any failure to have studied the problem, or any failure to have had sufficient experience in a legislature. He and his brother, the Governor, have been in legislative activity of one kind or another virtually all their adult lives. They know this issue intimately and thoroughly. Yet State Senator Knowles says that his Wisconsin petition will not serve to convoke a convention. He says at the Wisconsin hearing that he does not expect a convention to be held.

Mr. President, I can easily understand the reluctance of State legislatures to admit to themselves that by passing these memorials they are moving step by step toward a constitutional convention. Never in our Nation's history has a convention been called under article V of the Constitution. Never, in fact, has there been a need for such a convention. Our processes of government have operated, by and large, very fairly. They have been responsive to the people. Never have the States felt it necessary to make an end run around their national government by calling for a convention.

I do not believe that most people feel that a convention is desirable or necessary at this time. Surely the Federal Government has not so badly trampled the rights of the individual States that the States feel compelled to amend the Constitution without regard to the wishes of the national legislature. And what is to prevent the representatives of the States in convention assembled from deciding to do just about anything they please? Are we who revere the permanence and the utility of our Constitution really prepared to see a host of amendments proposed by a constitutional convention?

Article V states that—

> On the Application of the Legislatures of two thirds of the several States, [Congress] shall call a convention for proposing amendments.

The Constitution does not say that Congress shall control the subject matter of such a convention.

I submit that under the Constitution there is no way in which questions of this kind can be limited to the proposing of only one amendment. The constitutional language is clear that the convention can propose any number of amendments; that that is the purpose of the quoted provision of article V. I do not know how anyone can construe the language in any other way.

I should just like to quote a distinguished constitutional authority, U.S. Senator Heyburn, a Republican who, incidentally, helped to frame the Idaho constitution. He said on this floor on February 17, 1911:

> When the people of the United States meet in a constitutional convention there is no power to limit their action. They are greater than the Constitution, and they can repeal the provision that limits the right of amendment. They can repeal every section of it, because they are the peers of the people who made it.

Mr. President, I do not know how anyone can read article V of the Constitution and come to any other conclusion.

I thank the distinguished Senator from Maryland once more and congratulate him on the fine presentation he is making this morning on this subject.

Mr. TYDINGS. I thank my distinguished colleague from Wisconsin.

Mr. President, the second question I want to discuss today is—even assuming the validity of all 32 of the pending petitions dealing with legislative apportionment, must the Congress call a constitutional convention if two more States submit petitions on this subject? In my judgment, the answer to this question is "No." It appears that if two more legislatures act, 34 of the State legislatures at some time will have called for conventions dealing in some manner with legislative apportionment. But the convention calls now before the Congress differ in crucial respects. Twenty-nine of those petitions call for a convention to propose a specific amendment—detailed in the petitions—to permit one house of a State legislature to be apportioned on the basis of "factors other than population." Three of those petitions call for another fundamentally different amendment, one which would deprive the Federal courts of any jurisdiction regarding apportionment of State legislatures. I do not think the Congress would be justified in considering these two different types of petitions as calling for the same constitutional convention.

It is not correct to assert that all 32 State legislatures which have thus far submitted petitions want a constitutional convention dealing generally with the subject of legislative apportionment. The State legislatures have not said this. Some have called for a convention to propose one specific amendment; others want a convention to propose another specific amendment. I do not think we can assume that a legislature which called for an amendment to keep the courts out of apportionment cases would be just as happy to have an amendment which keeps the courts in those cases, but

alters the apportionment standards applied by the courts.

Even more importantly, the question whether Congress could place any limitation on the powers of a constitutional convention would be dangerously complicated if Congress were to lump together two different kinds of calls for conventions. The most troublesome unanswered question in article V of the Constitution is whether Congress can limit the powers of a convention called to propose amendments. I believe that the Congress, if it calls a constitutional convention in response to the present petitions, must narrowly and clearly circumscribe the powers of that convention to insure that the whole fabric of our framework of government is not brought into issue. Unless the Congress can call a convention with powers strictly limited to those specifically requested by two-thirds of the State legislatures, then I believe the convention could too easily view its power as unlimited, and could too easily justify ignoring Congress express limitations.

There is little precedent to guide us on the question whether Congress can limit the power of article V constitutional conventions since none has been called since the first convention which drafted the Constitution itself. Every other amendment to our Constitution, including the cherished Bill of Rights, has been first deliberated and approved in the Congress before being proposed to the States for ratification. The proponents of the malapportionment amendments have resorted to attempting a constitutional convention because the Congress deliberated on the proposed amendments, saw the clear dangers in them, and rejected them.

The Congress, in deliberating on those amendments, also saw quite clearly certain forces which, behind the scenes, were among the most ardent advocates for malapportionment—the far right-wing, anti-civil rights, and special-interest big business groups which have for years controlled the rotten borough legislatures for their own profits and the public's loss. There is danger, I think, that those groups would attempt to dominate a constitutional convention called to consider malapportionment amendments. And I shudder at the prospect that a constitutional convention, thus dominated, would be free to reopen every sentence and paragraph of the U.S. Constitution.

The reasons for the uncertainty in article V regarding whether Congress can limit the powers of a constitutional convention arise from the history which preceded the calling of the first Constitutional Convention, and the debates at the Convention itself regarding article V. After 1780, the weaknesses of the Articles of Confederation as an instrument of government quickly became apparent—in particular, the lack of authority in the central government to raise revenue, to regulate interstate commerce, or to exercise general coercive powers to enforce its laws. Moreover, the veto power which the Articles placed in any single State made amendment impossible. By the end of 1786, all States but Rhode Island had petitioned the Congress to call a convention to reexamine generally the structure of Government established by the Articles. The Congress in February 1787 refused to issue such a general convention call, but called a convention for the "sole and express purpose of revising the Articles of Confederation" and reporting back to the Congress—Pritchett, "The American Constitution," page 14, 1959. The Constitutional Convention which met in May 1787, ignored this limitation and considered itself, as the Preamble to the Constitution indicates, to speak for "we the people of the United States."

In the convention debates on article V, there is some evidence that constitutional conventions provided for by that article could also ignore the limitations placed on it by Congress and instead purport to speak for "the people." The first draft of the constitutional provision dealing with the amending power stated that, when two-thirds of the State legislatures applied for an amendment, the Congress "shall call a convention for that purpose." Madison's notes of the Convention record that he was disturbed by this provision. "How," he asked, "was a convention to be formed? by what rule decide? what the force of its acts?"—2 Farrand, "The Records of the Federal Convention of 1787," at 558. Madison moved successfully for reconsideration of the provision.

The second draft gave the Congress exclusive power to propose constitutional amendments, with no provision for conventions. Colonel Mason, of Virginia, opposed vesting exclusive power to propose amendments in the Congress. Mason's marginal notes on his copy of the draft of the Constitution provide his reasoning:

> By this article, Congress only [would] have the power of proposing amendments at any future time to this constitution and should it ever prove so oppressive, the whole people of America can't make or even propose alterations to it; a doctrine utterly subversive of the fundamental principles of the rights and liberties of the people. (2 Farrand, *op. cit.*, at 629 n. 8)

Mason stated these objections, and Madison reiterated his concerns about the form of such conventions and his preference for clearly leaving the function of proposing amendments with the Congress. Madison was, however, willing to have Congress "bound to propose amendments applied for by two-thirds of the States"—2 Farrand, op. cit. at 629–30. From this debate, the draft of article V was changed to its present form so that either the Congress or a convention called by Congress, on application of the States, could propose constitutional amendments.

Article V thus appears to be a compromise between Mason's view, that a convention must be free to speak for "the whole people of America" and bypass the Congress altogether in the amending process, and Madison's view that the Congress should retain a clear role in proposing amendments. On the basis of this constitutional history, however, the question whether Congress could validly restrict the powers of a constitutional convention is not free from doubt. I might note that the distinguished minority leader, Senator DIRKSEN, has expressed similar views. The Chicago Tribune of Monday, March 27, 1965, reported that in an address 2 years ago to the National Grange, Senator DIRKSEN made the following remarks:

> There can be and is a genuine fear of a constitutional convention on the part of many thoughtful people who urgently are working toward enactment of a constitutional amendment. The fear is simple. There has never been a constitutional convention since these United States became a nation. There is strong legal opinion that once the states have mandated a convention, the courts nor the executive can control it, guide it, or establish the matters with which it would deal. A constitutional convention, many sincere people believe, would, once unlocked, spread in every direction.

I think all of us in the Congress would readily agree—no matter what our views on the apportionment issue—that the Constitution as a whole, and our framework of government under it, should not be freely tampered with by a constitutional convention called by this Congress. As I have stated, there are grave doubts that Congress could validly limit a convention called under article V. But if there is ever a remote possibility that a convention could be limited, Congress would justify imposing a limitation only if it counts together, for purposes of aggregating the necessary two-thirds, petitions from State legislatures which request conventions for exactly—to the letter—the same purposes. At the present time, Congress has received no more than 29 petitions calling for a convention dealing with the same specific aspect of the reapportionment issue. We must therefore conclude that, even assuming the validity of these 29 petitions, at least five more State legislatures must petition the Congress before any issue regarding a convention call is properly before us.

Mr. GORE. Mr. President, will the gentleman yield?

Mr. TYDINGS. I yield.

Mr. GORE. I have followed with interest the very able address of the distinguished Senator from Maryland. I want him to know that it is far more than perfunctory courtesy with which I say I am grateful for the able leadership the Senator has provided in this field, or issue, so vital to our democratic processes. I only rise to so express myself and also to encourage him to be persistent in this worthy cause.

Mr. TYDINGS. I thank the distinguished Senator from Tennessee. I appreciate the efforts he made with us in the fight to protect the rights of the people in the 89th Congress, and his support is greatly appreciated.

Mr. President, my views are well known to the Senate on the merits of both proposed constitutional amendments to authorize malapportioned State legislatures. I am opposed to both amendments because, as I stated in my maiden speech in the Senate, I believe both are inconsistent with the constitutional history of this country and would undermine fair and effective State government. A number of Senators disagree with these views. But this difference of views regarding the merits of the one-man, one-vote principle should not,

in my judgment, dictate that a difference of views must exist regarding the validity of all the present petitions for constitutional conventions on this issue. Whatever his views on the merits of the reapportionment issue, I believe that every Senator is concerned with the integrity of our Constitution and is aware of the need for orderly, deliberate proceedings in proposing any amendment to that document. I believe that every Senator must be disturbed, as I am disturbed, at the unseemly circumstances, necessarily inconsistent with calm deliberation, which accompanied approval of most of the petitions now before us. I believe that every Senator must be disturbed, as I am disturbed, at the prospect that, in their haste to change a particular constitutional rule, the proponents of this change will tear open the whole fabric of our Constitution. These should be the considerations uppermost in our minds if, in the near future, any resolution is introduced in the Congress to call a convention to propose amendments to the Constitution. I would hope, moreover, that these considerations would be fully weighed before any resolution is introduced. If these considerations are fully weighed, I believe that no such resolution will be placed before us.

Mr. KENNEDY of New York. Mr. President, will the Senator yield?

Mr. TYDINGS. I am happy to yield to the Senator from New York.

Mr. KENNEDY of New York. First, I wish to commend the Senator from Maryland for his remarks. His careful and thorough scholarship has cast new light on this most important issue. He has brought into sharp focus many of the difficult problems involved in the amending of the Constitution through the untried process of a constitutional convention called by the Congress on the basis of resolutions adopted by two-thirds of the States.

Gladstone once said that—

> The American Constitution is the most wonderful work ever struck off at a given time by the brain and purpose of man.

This thought is particularly germane when we are confronted with the possibility that that Constitution will be amended by the untried method of a convention called by Congress on the application of the legislatures of two-thirds of the States. A document which has withstood the test of almost two centuries must be changed only for the most important reasons. And, when the mechanism for change is one that has never before been invoked, special care must be taken to insure that the entire amending process is wholly above procedural question as well.

Because constitutional amendments do produce such fundamental changes in our political structure, the Founding Fathers intended that the amending process be both elaborate and exacting. Thus, in the case of resolutions passed by two-thirds of the States, they could hardly have intended that Congress not play a significant role in deciding whether the desired convention has been validly requested. This is not to say that Congress has complete discretion to disregard the wishes of the States. But it must possess power to rule upon the validity of the submitted resolutions as the basis for convening a constitutional convention. If for any reason these resolutions appear to be invalid—either in regard to the circumstances of their enactment or their submission or the form of their request—then it follows that Congress must reject them.

At present, only 32 States have passed resolutions dealing in some way with apportionment. It is therefore premature for Congress to render a final judgment on the problem, since it is not yet certain that a full two-thirds of the States will petition for a convention. But should two more States choose to submit resolutions—and such resolutions have been passed by one House of the Iowa Legislature and are pending before the legislatures in Wisconsin and Pennsylvania—then we must be prepared to deal with the matter. We should therefore begin to consider the weighty and, in my judgment, compelling arguments that have been advanced against the validity of these resolutions.

First, 26 of the 32 resolutions were invalidly enacted, since that many legislatures were malapportioned when they passed these petitions. Their hastily enacted and ill-considered applications are thus nothing more than attempts of malapportioned bodies to preserve their lost power. The vast bulk of these resolutions represent not the voice of the people but the special pleading of those groups and factions whose rule of our States has already been found inherently undemocratic.

I believe this Congress can and should refuse to sanction these efforts by the few to maintain power at the expense of the majority. Any attempt on the part of a malapportioned legislature to legitimize its own power and thwart the rights of its citizens to equal representation must—as the Federal courts have recognized—be rejected. Changes which go to the very heart of our constitutional system cannot properly be set in motion by those whose right to govern has been overturned.

Second, these resolutions fail as a group to constitute a valid set of requests upon which Congress is required to act. It would make little sense if a convention could be convened on the basis of widely differing applications seeking consideration of disparate issues. And these 32 resolutions are not all the same. Twenty-nine of them request a convention to pass an amendment permitting one house in a bicameral legislature to be malapportioned. The other three seek only to abrogate the power of the Federal judiciary to deal with apportionment.

We are told that these two groups of resolutions can be linked together. But certainly that cannot be. One group wants the judiciary stripped of jurisdiction and left without power to deal with malapportionment in either chamber of a State legislature. There is no basis on which Congress can conclude that that group also wants an amendment which leaves power in the courts and sanctions malapportionment in only one house of a bicameral legislature. Those legislatures which may have believed it wrong for the Federal courts to enter the "political thicket" at all may not have wanted to guarantee the right of each State to malapportion one branch of its legislature. A request to shift power from one level to another in the Federal system is not the same as a request for permission to deny majority rule in a State legislature. As Prof. Charles Black, of Yale, has written:

> It is not for Congress to guess whether a State which asks for the one kind of convention wants the other as a second choice. Altogether different political considerations might govern.

And in fact this observation has been borne out in the States of Washington and Wyoming. The legislatures of both, after passing resolutions seeking to abrogate the power of the Federal courts to reapportion, refused to accept resolutions calling for the States to be allowed to malapportion one house of their legislatures.

Third, these resolutions do not accord with the intent of article V that the purpose of calling a convention is to propose amendments. The 32 resolutions not only request a convention but stipulate the texts of the amendments and the method for ratification. They are in effect an attempt by the various State legislatures to force Congress to call a convention which can only act mechanically to approve or disapprove a specific amendment. The attempt is to make the convention merely an initial step in the ratifying process instead of a deliberative meeting to seek out solutions to a problem. The word "propose" cannot be stretched to mean "ratify." The Congress cannot properly accept and become part of any prepackaged effort to shortcut the amendment process. The attempt to reduce Congress and a constitutional convention to rubber stamps and to destroy the power to decide upon the content and method of ratification of a constitutional amendment, is sufficient in itself to invalidate these resolutions.

Fourth, some of these resolutions cannot be counted toward a requisite two-thirds since they have not been validly submitted to Congress. In at least three States it appears that resolutions were passed by legislatures which then adjourned without taking the final step of formally sending their petitions to Congress—a step which would appear to be required if there is to be any orderly way of determining whether a sufficient number of States have validly requested the calling of a convention. These resolutions thus have the status of unfinished legislative business at the State level. Their ability to be considered by Congress expired when the enacting legislatures expired. Until and unless these resolutions are reenacted, they cannot serve as the basis on which this or any future Congress can call a constitutional convention.

Finally, the 32 resolutions may well not be sufficiently contemporaneous to be treated as a valid reflection of the will of the people at any one time. How long the States have collectively to propose or ratify specific constitutional change has always been a matter of congressional

judgment. In deciding that question, Congress must determine when the identical acts of various States will cease to be collectively responsive to a continuing public interest. In this particular case, over two-thirds of the enacting legislatures were faced with reapportionment at the time they acted and most of these legislatures have since changed in composition and outlook. Therefore it seems to me that Congress is justified in this case in setting a very short time period—certainly of no more than 2 or 3 years. The behavior of States like Wyoming and Maryland, which failed to rescind their 2-year-old resolutions only because of procedural technicalities, lend support to this conclusion.

That many difficult and troubling constitutional problems are involved in considering the validity of these various resolutions should be obvious. And beyond these problems is the question of what a convention, once convened, may decide to undertake. For much as Congress may limit the convention's power, we can never be certain whether circumstances and the pressure of immediate political passions may tempt this body to narrow our fundamental rights—to limit the guarantees of free speech and religious freedom and fairness in the criminal process. I am deeply troubled by the possibility of a convention which may decide to move beyond the legitimate boundaries of its jurisdiction and interfere with basic human rights.

The time is late, but public consideration and discussion of the dangers of a constitutional convention can still help. There are still States which have not yet passed a resolution but are considering one. There are other States in which a previous legislature passed a resolution, but where there is presently a chance to rescind it. And, most important, the people of our Nation should know of this new assault on the principle of one man, one vote, this attempt which could bring with it the destruction or inhibition of our basic liberties. For it is they who stand to lose in this effort to restore the rotten borough to the American political system. It is they who will lose if the bill of rights is eroded at such a convention. And it is they in the end, who have the power to insure that such damage will never be done to our Constitution.

Once again I commend the Senator from Maryland for the leadership he has given in this matter, and the Senator from Wisconsin for his efforts in joining with the Senator from Maryland.

I have a number of questions that I wish to ask the Senator from Maryland, if I may do so at this time.

Mr. TYDINGS. I thank the distinguished Senator from New York. His presence on the floor and his support mean a great deal in this effort.

Mr. KENNEDY of New York. I wanted to ask the Senator from Maryland for some comments on what I think are significant and important points in this struggle.

I ask the Senator whether, in his judgment, it is not true that a malapportioned legislature cannot very well have the power to call for a constitutional convention for the very purpose of preserving its malapportionment. Would the Senator comment on that?

Mr. TYDINGS. I would answer in the affirmative. As the Senator knows, there is a fundamental principle of equity, that a person cannot go into court and ask for equity when he does not have clean hands. A man who is guilty of adultery cannot go into a divorce court and ask for a divorce on the grounds of his wife's adultery. A malapportioned legislature cannot propose a constitutional convention for an amendment to make legal its own illegality.

Mr. KENNEDY of New York. Will the Senator from Maryland also comment on whether or not he feels it is true that calls for conventions to deal with different subjects cannot be linked together.

Mr. TYDINGS. I concur in the Senator's remarks. He is entirely correct that the convention calls must be identical to be honored.

Mr. KENNEDY of New York. I ask the Senator whether, in view of the requirement of article V that a convention be called merely to "propose" and not to ratify amendments, he believes that those resolutions which attempt by their wording to limit the roles of both Congress and the convention are invalid.

Mr. TYDINGS. In my judgment, they are invalid. I would agree wholeheartedly with the position the Senator from New York has taken in his remarks. Under article V, a constitutional convention cannot be limited to a "rubberstamp" role with power only to approve or disapprove a specific amendment submitted by the States or Congress. The petitions from State legislatures which attempt to restrict a convention to considering only one possible text of a constitutional amendment are, therefore, invalid.

Mr. KENNEDY of New York. I should also like to have the Senator's comments on the time period during which these resolutions remain valid. Does he not think that, and because most of these resolutions were hastily considered by malapportioned legislatures, it is important that there be a limit on the period of time in which they can be considered by Congress?

Mr. TYDINGS. I think the Senator's point is very validly made. In a Supreme Court case I mentioned in my remarks, Chief Justice Charles Evans Hughes, speaking for the Court, stated that Congress could consider whether political, social, or economic conditions have changed, in determining the validity of acts by State legislatures mainly analogous to petitions for a constitutional convention.

I do not see how any Member of Congress can ignore the fact that, as a result of the one-man, one-vote descision, State legislatures have been reapportioned. The malapportioned legislatures, which petitioned the Congress for a constitutional convention, no longer exist. People are now represented fairly in those States, and conditions have, therefore, drastically changed since these petitions were railroaded through illegally apportioned legislatures.

Mr. KENNEDY of New York. Does the Senator feel it is possible for a subsequent State legislature, in view of the facts referred to in my statement and the statement that the Senator from Maryland has just made, to repeal its predecessor's resolution calling for a convention, at least until Congress itself has taken action and called the convention?

Mr. TYDINGS. It would be possible. I think the real point there is the fact that States were caught unaware. For example, in my own State of Maryland, we did not realize that this back-door attempt to amend the Constitution of the United States by petitioning a constitutional convention had gone so far until about 9 days before the Maryland Legislature was required, by the State constitution, to adjourn. Bills were hastily introduced to repeal the petition which the previous illegally apportioned legislature had approved. In the declining hours of the session, the petition repeal was passed overwhelmingly in the senate. It would have passed the house of delegates. A majority of the members of the house of delegates were cosponsors of the repeal bill. But as the bill reached the floor on the last day of the session, the clock ran out. A few more minutes, and the Maryland Legislature would have rescinded its convention call.

But the intent of the Maryland Legislature was clear, and I think this situation exists in many other States. I believe there are very few legislatures which would again adopt a petition for a constitutional convention, as their illegally apportioned predecessors had done.

Mr. KENNEDY of New York. Let me once again commend the Senator from Maryland for the leadership he has given on this matter. As I remember, he made his maiden speech on the floor of the Senate on the subject of reapportionment. He has been in the forefront of the struggle; and I think that without his leadership and his dedication to the question of equal representation, we would not be in the position that we are at the present time.

So, I commend the Senator for his courage and the effort and imagination that he has shown in leading this body in this very important struggle for individual liberty in our country.

Mr. TYDINGS. I am very grateful for the most charitable and courteous comments of the distinguished Senator from New York.

I ask unanimous consent, Mr. President, to have printed in the RECORD at the conclusion of my remarks two editorials, one entitled "A Constitutional Convention?" published in the Rocky Mount, N.C., Telegram of March 29, 1967, and one entitled "The Convention Threat," published in the Winston-Salem, N.C., Journal, of March 27, 1967.

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

(See exhibit 1.)

Mr. TYDINGS. I also ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a chart, showing a graphic representation of the malapportioned State legislatures which have called for a constitutional convention. It shows the date of the call, the malapportionment in terms of percentages of the population represented by a

majority in each House, and the population range per Senator and Representative at the time of the call. All of these 26 legislatures were malapportioned at the time of this call, and the case so holding is indicated. Again in all of the States, these malapportioned legislatures are no longer in existence, and elections have subsequently been held under constitutional appointment in all but four of the 26 States.

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

(See exhibit 2.)

EXHIBIT 1

A CONSTITUTIONAL CONVENTION?

Would a constitutional convention result in a Pandora's box? Sen. Sam Ervin fears that it would. He, along with others, is greatly concerned about what might happen in a constitutional convention in the U.S.

"The specter of a new convention dabbling with the greatest document ever devised by the hand of man is unthinkable," declared the senior senator from North Carolina. Ervin, an expert in constitutional law, knows what such a gathering might do.

The legislatures of 32 states have passed resolutions asking Congress to call a convention at which constitutional amendments could be proposed. The Constitution provides for the calling of a convention when two-thirds, or 34, of the state legislatures have made requests. Thus, only two more resolutions are needed.

"In a growing society with a growing federal government, each of the three branches manifests growing confusion over its proper role under the Constitution," Ervin said. "One example was brought home with horrifying force when we learned that the legislatures of 32 states had called for a constitutional convention to consider the Supreme Court's decision on reapportionment."

North Carolina's General Assembly is one of the legislatures which have called for a convention. The purpose of the states is to include an amendment in the Constitution nullifying the Supreme Court's one man, one vote order in legislative reapportionment.

But the trouble with a convention of this sort is that all kinds of other amendments could be proposed, many of them probably undesirable. Tinkering with the Constitution can be a dangerous thing, particularly if done by an irresponsible group.

The whole thing, of course, began because of the Supreme Court's meddling in the affairs of Congress and the states. The court went beyond its authority in the one man, one vote edict, and in other decisions having to do with criminal procedures. The states got fed up, and turned to the only method open to them: the constitutional convention.

The consequence now is the threat of a constitutional convention to change the basic document upon which the government of this country is based. Many liberals and conservatives share Ervin's fears about what might happen in a convention. Sen. Joe Tydings, a liberal Democrat from Maryland, said last week that in a constitutional convention, "all your rights will be up for grabs."

A staunchly conservative Democrat, Willis Robertson, former senator from Virginia, has been equally fearful of a convention. While he was a senator he kept a running count of the number of state legislatures which had called for a convention. He is fearful that the liberals might control a convention and try to rewrite the Constitution to their liking. "I shudder to think what delegates to a convention might do," he said.

Sen. Everett Dirksen is largely responsible for the legislative actions which make a convention a possibility. He has been the sponsor of proposals in Congress to nullify one man, one vote with a constitutional amendment. He sees the possibility of a constitutional convention as a hammer to hold over the heads of senators opposed to his amendment.

Ervin has supported at least the basic principle of the Dirksen amendment, but the Tar Heel senator's attitude toward a constitutional amendment indicates he feels the threat of a constitutional convention too dangerous a weapon to be used in support of the Dirksen proposal.

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EXHIBIT 2

THE CONVENTION THREAT

When two such dissimilar men as Joseph Tydings and Sam Ervin are afraid of what a 1968 constitutional convention might do to the U.S. Constitution, it is time for everybody to be worried about the prospects.

Sen. Tydings, a liberal Marylander, vigorously supported the Supreme Court when it ruled that both houses of state legislatures must be apportioned on the basis of population, not cottonwood trees. He tends to see the Constitution as an instrument that is flexible enough to admit of such interpretations and plastic enough to allow men to cope with 20th century difficulties, whether they lie in Baltimore or Vietnam.

Sen. Ervin is a conservative North Carolinian who thought the Supreme Court guilty of "officious meddling" when it handed down the ruling on state legislatures, and he usually wants to see the Constitution interpreted with meticulous attention to the last comma and the narrowest shades of meaning.

Thus the two men disagree sharply on the one issue—reapportionment—that has provoked the near crisis that they both fear.

Thirty-two states have already asked Congress to call together a convention for the purpose of overturning the one man-one vote decision; if two more are added to the list, Congress may be forced to comply.

Both senators believe, with many students of the Constitution, that once a convention is in session it cannot be limited to a single proposal. It could do away with or elaborate in great detail on the Bill of Rights. It could abolish the presidential veto or it could authorize him to declare war without the consent of Congress.

In short, it could do anything to the Constitution it wished, and its potpourri of decisions would be submitted to the states for approval.

Small wonder that two such diverse men, with such divergent philosophies, agree that the Constitution should be protected from such an assault. The positions outline as well as anything could the Constitution's genius. It permits of the most violent disagreement over its parts but commands almost universal respect of the whole.

How deplorable it is, then, that a group of state legislatures (many of whose members are already out of office) should try to run it through a gauntlet of selfish interests.

EXHIBIT 2

| State | Date of convention call | Was legislature constitutionally apportioned at time of call? | Case so holding | Percent of population represented by a majority in State legislature at time of call | | Range of population between largest and smallest district in each house | | Does legislature which made call still exist? | Have elections been held under a new constitutional apportionment? |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Senate | House | Senate | House | | |
| Alabama | Mar. 1, 1965 | No | *Reynolds* v. *Simms*, 377 U.S. 533 (1964). | 27.6 | 43.0 | No information available. | 4.7 to 1 PVR [1] | No | Yes, 1966. |
| Arizona | Feb. 15, 1965 | No | *Klahr* v. *Goddard*, 250 F. Supp. 537 (D.C.D. Ariz. 1966). | 12.8 | 46.0 | 7,736 to 663,510 (county population, 2 senators). | 5.3 to 1 PVR | No | Do. |
| Arkansas | Feb. 21, 1963; Feb. 1, 1965. | No | *Yancey* v. *Faubus*, 238 F. Supp. 290 (D.C.E.D. Ark. 1965). | 43.8 | 33.3 | 35,983 to 80,993 [2] | 6.4 to 1 PVR | No | Do. |
| Florida | June 15, 1965 | No | *Swann* v. *Adams*, 378 U.S. 553 (1964). | 12.3 | 14.7 | 9,543 to 935,047 | 2,868 to 311,682 | No | Yes, 1967. |
| Idaho | Feb. 14, 1963; Jan. 26, 1965. | No | *Hearne* v. *Smylie*, 378 U.S. 563 (1964). | 16.6 | 42.2 | 915 to 93,460 | 11.3 to 1 PVR | No | Yes, 1966. |
| Kansas | Feb. 21, 1963; Feb. 4, 1965. | No | *Anderson* v. *Harris*, 382 U.S. 894 (1965); *Long* v. *Avery*, 251 F. Supp. 541 (D.C.D. Kans. 1965). | 50.1 | 19.4 | 47,114 to 61,920 | 2,231 to 47,800 | No | House only, 1966 (senate cont. under court order to reapportion). |
| Louisiana | June 1, 1965 | No | *Spencer* v. *McKeithen*, No. 3316 D.C.E.D. La. (1966). | 33.0 | 33.1 | 31,175 to 248,427 | 6,909 to 57,622 | No | Not until January 1968. |
| Maryland | March 24, 1965 | No | *Maryland Committee for Fair Rep.* v. *Tawes*, 377 U.S. 656 (1964). | 14.1 | 35.6 | 15,481 to 492, 428 | 6, 541 to 37,879 | No | Yes, 1966. |
| Minnesota | May 17, 1965 | No | *Honsey* v. *Donovan*, 236 F. Supp. 8 (D.C.D. Minn. 1964). | 40.1 | 34.5 | 24,428 to 100,520 | 8,343 to 56,076 | No | Do. |
| Mississippi | July 7, 1965 | No | *Connor* v. *Johnson*, 256 F. Supp. 962 (D.C.S.D. Miss. 1966). | 37.4 | 41.2 | 20,987 to 187,045 | 3,576 to 26,361 | No | To be held in 1967. |
| Missouri | April 8, 1963; February 22, 1965. | No | *Jonas* v. *Hearnes*, 236 F. Supp. 699 (D.C.W.D. Mo. 1964). | 47.8 | 20.3 | 96,477 to 160,288 | 3,936 to 52,920 (single member districts). | No | Yes, 1966. |

See footnotes at end of table.

EXHIBIT 2—Continued

| State | Date of convention call | Was legislature constitutionally apportioned at time of call? | Case so holding | Percent of population represented by a majority in State legislature at time of call | | Range of population between largest and smallest district in each house | | Does legislature which made call still exist? | Have elections been held under a new constitutional apportionment? |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Senate | House | Senate | House | | |
| Montana | March 11, 1963; February 12, 1965. | No | *Herweg* v. *39th Leg. Assembly*, 246 F. Supp. 454 (D.C.D. Mont. 1965). | 16.1 | 36.6 | 894 to 79,016 | 894 to 12,537 | No | Yes, 1965. |
| Nebraska | September 1965 | No | *League of Nebraska Municipalities* v. *Marsh*, 232 F. Supp. 411 (D.C.D. Neb. 1964). | [3] 44.0 | [3] 44.0 | 21,703 to 36,393 (unicameral). | 21,703 to 36,393 (unicameral). | No | Yes, 1966. |
| Nevada | June 4, 1963 | No | *Dungan* v. *Sawyer*, 250 F. Supp. 480 (D.C.D. Nev. 1965). | 8.0 | 29.1 | 568 to 127,016 | 568 to 18,422 | No | Do. |
| New Hampshire | June 8, 1965 | No | No court action | 43.8 | 44.0 | 2.5 to 1 PVR | No information | No | Do. |
| North Carolina | May 17, 1965 | No | *Drum* v. *Seawell*, 249 F. Supp. 877 (D.C.M.D. N.C. 1965). | 47.1 | 27.1 | 65,722 to 148, 418 | 4,520 to 82, 059 | No | Do. |
| South Carolina | June 10, 1963; Feb. 22, 1965. | No | *O'Shields* v. *McNair*, 254 F. Supp. 708 (D.C.D. S.C. 1966). | 23.3 | 46.2 | 8, 629 to 216, 382 | 8, 629 to 29,490 | No | Yes, 1966 (senate cont. under order to reapportion). |
| South Dakota | Aug. 9, 1963; Mar. 1, 1965. | No | No court action | 38.3 | 38.5 | 10,039 to 43,287 | 3,531 to 16,688 | No | Yes, 1966. |
| Texas | June 25, 1963; July 26, 1965. | No | *Kilgarlin* v. *Martin*, Civil Action No. 63-H 390 (D.C.S.D. Tex. 1964). | 30.3 | 38.7 | 147,454 to 1,243,158 | 33,987 to 105,725 | No | Court action still pending. |
| Utah | Mar. 8, 1965 | No | *Petusky* v. *Clyde*, 234 F. Supp. 960 (D.C.D. Utah 1964). | 25.3 | 37.7 | 10,195 to 55,372 | 1,164 to 21,135 | No | Yes, 1966. |
| Virginia | Mar. 19, 1964; Jan. 19, 1965. | No | *Davis* v *Mann*, 377 U.S. 678 (1964). | 41.1 | 40.5 | 61,730 to 163,401 | 21,825 to 95,064 | No | Yes, 1965. |
| Georgia | 1965 | No | *Toombs* v. *Fortson*, Civil Action No. 7883 (D.C.N.D. Ga. 1964). | 48.2 | 22.5 | 1.8 to 1 PVR | 1,876 to 185,442 | No | No. |
| New Mexico | 1965 | No | *Cargo* v. *Campbell*, Civ. No. 33273 (N.M. Dist. Ct. Santa Fe County 1963); *Lindsay* v. *Campbell* (D.C.D. N.M. 1966). | 14.0 | 27.0 | 1,874 to 262.199 | 1,874 to 29,133 | No | Yes, 1966. |
| Tennessee | 1965 | No | *Baker* v. *Carr*, Civ. Action No. 2724 (D.C.M.D. Tenn. 1964). | 44.5 | 39.7 | 83,031 to 133,248 (district population). | 22,275 to 50,105 (district population). | No | Do. |
| Washington | Apr. 8, 1963 | No | *Meyers* v. *Thigpen*, 378 U.S. 554 (1964). | 35.6 | 38.0 | 20,023 to 145,180 | 12,399 to 57,648 | No | Yes, 1964 and 1966. |
| Wyoming | Mar. 25, 1963 | No | *Schaefer* v. *Thomson*, 240 F. Supp. 247 (D.C.D. Wyo. 1964). | 24.1 | 46.5 | 3,062 to 30,149 | 3,062 to 7,929 | No | Yes, 1966. |

[1] PVR stands for population variance ratio.
[2] Population ranges are in terms of population to senator or representative unless otherwise indicated.
[3] Unicameral.

Mr. JAVITS. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senator from Maryland, by unanimous consent, was granted the floor for 1 hour. The Senator's 1 hour has not yet expired; he has 15 minutes remaining.

Mr. TYDINGS. Mr. President, I am delighted to yield the remainder of my time to the senior Senator from New York.

The PRESIDING OFFICER. The Senator from Maryland yields 15 minutes to the Senator from New York.

The Senate has further agreed by unanimous consent that there be a period for the transaction of routine morning business, to begin at the conclusion of the 1-hour address of the Senator from Maryland.

Mr. JAVITS. Mr. President, I am grateful to the Senator from Maryland for yielding to me. What I have to say is pertinent to the matter which he has raised, and which has been discussed by other Senators. I think it is most useful to take the time to do so at this moment. I think that a great service is being rendered to the people of the United States, by full, frank, and open discussion of the momentum which has gained such ground to call a constitutional convention, and the unique procedure, which has never been attempted before.

I see some real dangers involved in this procedure. That does not mean that it is not my duty, as it is the duty of every Senator, to be a party to the calling of such a constitutional convention if the U.S. Constitution has been complied with in such respect.

I certainly would do no other thing were I convinced there had been an actual demand by 34 of the legislatures to call a constitutional convention.

As this has not yet occurred, and as there are many questions which must be considered by the people of the various States, questions that would have a very profound effect on the State legislatures, I think the time to speak is before the action is finally consummated.

I spoke to this issue in the Senate a few days ago. I think it would be even more timely to join my voice with those of the Senator from Maryland [Mr. TYDINGS], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from New York [Mr. KENNEDY], and other Senators who hold similar views.

Mr. President, I think there is a commanding case for the State legislatures which have already acted to rescind the resolutions under which they have acted. I think that there is a commanding case for the State legislatures which have not acted to refuse to pass such resolutions. My belief in this regard compels me to speak at this time.

What are the grounds for the fear of a constitutional convention such as contemplated by this kind of action?

As I see it, there is a grave question of law—in my judgment, a question of law which probably must be resolved against its proponents—that any legislature can limit the ambit of a constitutional convention by the resolution of request.

I doubt very much that the Congress of the United States can limit such a constitutional convention when it passes a measure of implementation concerning what is requested by the States.

Nonetheless, 29 States of the 32 which have already acted seek a convention for the specific purpose of adopting a single amendment—an amendment reversing the Supreme Court's decision on the popularly called one-man, one-vote principle for apportionment of the State legislatures and other legislative bodies. I think a very grave question exists as to whether this can be done.

A constitutional convention, even if elected under a congressional mandate that it could deal with only one subject, could run away. After all, it would be a duly created constitutional convention, and it could propose any amendments which it decided it wished to propose, subject to ratification.

I doubt very much that such actions would be invalidated as far as action by the States for ratification purposes is concerned. The mere fact that Congress in its resolution sought to restrict the action of the constitutional convention, certainly would not restrict the convention as a matter of law, in my judgment, to the specific issue contained in the resolutions already adopted by 29 States.

The grounds for the fear that we

would have a constitutional convention that would seek to rewrite the Constitution of the United States, including the first 10 amendments, concern the separation of powers with respect to the various branches of Government, the separation of church and state, and other essential guarantees, many of which have been today opposed and rescinded by many amendments—and I feel not by any means a preponderate number—because of the decisions of the Supreme Court which are said to inhibit—as in the case of confessions in criminal cases—prosecutions for crime. There are other examples.

As it is clear that even those legislatures which have acted have no desire to rewrite the Constitution, I do not believe that enough thought has been given to the matter before the resolutions were adopted so that the resolutions would be justified in view of the danger of having a constitutional convention which could not be controlled as a matter of law and confined to one subject, or which could, as a practical matter, be a runaway convention.

There is the real ground involved, for we would invalidate the whole Constitution of the United States upon which our whole society is based, including the Bill of Rights, the first 10 amendments.

We have no right to question these particular resolutions except with reason. I think there is a valid basis for questioning the 29 resolutions which are limited to the effort to call a constitutional convention to act on only a single question.

Another question relates to the age of the resolutions, as a good many of them were sent to the 89th Congress and not to the 90th Congress.

What is the effect of the resolutions which were apparently, as a practical matter, never received by Congress? Do memorials have the same effect as legal resolutions? What about simple petitions? Can voters in States which have adopted resolutions sue for rescission of the resolutions which have been adopted? What about the situation in States which have not been reapportioned?

A great many of the State legislatures which have acted were not reapportioned under the Supreme Court decision.

Can the courts compel Congress to call a constitutional convention if Congress should refuse to recognize the validity of some of these resolutions?

I think there certainly is a right to question the validity and the legality of the procedure.

Another question concerns the responsibility of Congress, and whether Congress must act. It is mandated to act under the Constitution if the actions of the State legislatures are valid. However, I think there is such serious question as to the validity that if Congress did not act based upon the resolutions already submitted, or if Congress made some other disposition of these resolutions, it would be proceeding properly and legally.

I think, therefore, that the question of discretion in this case resides in Congress rather than the autonomy which would seem to be indicated by the Constitution if each of these resolutions could be accepted on its face as completely valid as to both the restrictions which are sought to be imposed and as to the conditions existing under its adoption by the particular legislature.

There is even a legal question as to whether any of these resolutions can be rescinded.

It seems to me that my participation in this matter can perhaps be of the most use in respect to that particular question.

It is my profound conviction as a lawyer that those resolutions, until they are acted on by Congress, are subject to rescission. I believe that the citizens of every State have a perfectly open and clear path, if they disagree with what their State legislatures have done, to see what they can do to have the legislatures rescind the action they have taken.

I do not make any sinister charges, but in many cases, as the Senator from Maryland [Mr. TYDINGS] has pointed out, the resolutions were adopted without anyone knowing what was at stake. I believe the time for rescission is still with us, that rescission may be made by State legislatures, and that, if rescinded, the resolutions would no longer be valid as petitions to have Congress call a constitutional convention.

I could not end my remarks without one word about reapportionment. The fact is that reapportionment appeared to be a matter of great concern to my party. Yet I think it is fair to note that in the 1966 election, the first since reapportionment really got underway, my party made extaordinary gains in State senates, in State lower houses, and in governorships. We did much better than we did in 1964.

We made a net gain of 153 seats in State senates, and 387 seats in State lower houses. The Republican Party now holds 40.9 percent of all seats in State legislatures, contrasted with only 33 percent in 1964. Last year, the Republicans made a net gain of eight governorships and significantly, won or retained control of the government in five of the Nation's seven most populous States.

Interestingly enough, the combined population of Republican-governed States is 108 million now, while Democrats govern only 80 million. This means that 17 Republican Governors represent almost 60 percent of the population, while 33 Democratic Governors represent only 40 percent of the population. It seems to me that this indicates that the fears that were entertained on this side of the aisle about the reapportionment movement have not shown up in the election statistics.

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

Mr. JAVITS. I yield.

Mr. TYDINGS. Would the Senator from New York agree that the support for the one-man, one-vote principle is not partisan, but that the leaders of both great parties in this country support it and that the principle should not be twisted to be a partisan issue?

Mr. JAVITS. I do not think it should be a partisan issue, and I do not think it is a partisan issue. It is a fact that the movement was led with the deepest sincerity and the greatest skill by the minority leader, the distinguished Senator from Illionis [Mr. DIRKSEN]. That is why I identified the results with the outcome of the movement. I felt originally that the Supreme Court would not be completely rigid in the matter, and I believe that the Supreme Court has not been completely rigid and that, therefore, the attitude of people like myself to sustain the Court was justified.

I merely gave these figures by way of indicating that the fears that had been engendered by the minority party—my party—in the reapportionment debate were apparently not realized in the election. I believe that this is an important question which, politically, every Senator and every Representative will want to ask himself. The figures I have stated are persuasive.

Without in any way questioning the deep sincerity and good faith of those who have sought very strenuously and lobbied to convince State legislatures that these resolutions should be passed, and without questioning the deep conviction of those people that the constitutional convention resulting could be confined to the one issue requested by most of the legislatures, it is my judgment that the real danger is that it cannot as a matter of law, and certainly not as a matter of practice, be so confined; that you could have a runaway constitutional convention, at the very least; that this danger has not been adequately portrayed to the people of the States; that the State legislatures have a right to rescind those resolutions, as they had a right to pass them, before Congress actually acts upon the matter.

Therefore, it is the duty of those who feel as I do to enlighten and inform the people as to what is at stake, so that they may exercise their influence with their State legislatures, affirming at one and the same time my fidelity to my oath as a Senator, that if I am convinced that 34 State legislatures have actually and properly requested a constitutional convention, it will be my duty to vote for an appropriate and feasible measure which will give voice to their proper demands.

### ORDER OF BUSINESS

The PRESIDING OFFICER. The Chair understands that by unanimous consent the Senator from Maryland was granted not in excess of 1 hour for the purpose of delivering a speech, which he concluded in substantially less time. The Senator from Maryland then yielded the remainder of his time to the Senator from New York [Mr. JAVITS]. The hour allotted has now expired.

The routine morning business has been limited to 3-minute speeches, on request of the Senator from West Vriginia [Mr. BYRD], the acting majority leader. If we are to digress from the 3-minute rule, the Chair suggests that another unanimous-consent request would be in order.

### UNANIMOUS-CONSENT AGREEMENT

Mr. DIRKSEN. Mr. President, notwithstanding the previous unanimous-consent request, I ask unanimous consent to proceed for 40 minutes, and to yield 10 minutes to the Senator from New Hampshire [Mr. MCINTYRE].

The PRESIDING OFFICER. Is there objection to the request of the minority

leader? The Chair hears none, and it is so ordered. Accordingly, the minority leader is recognized for 40 minutes, 10 minutes of which he desires to yield to the Senator from New Hampshire.

The Senator from New Hampshire is recognized for 10 minutes.

Mr. McINTYRE. I thank the distinguished minority leader.

Mr. President, I have listened with great interest to the statements of the Senator from Maryland and others regarding the threat to the stability of our constitutional system which arises from the calls for a convention. I have not yet had the opportunity to explore all of the ramifications of this issue in depth, and I feel strongly that such an exploration is needed, but I should like to set out a few random impressions which have crossed my mind on this subject.

The first fact which struck me was the apparent carelessness and lack of understanding displayed by some of the State legislatures in approving the call for a convention. I need go no further than my own State of New Hampshire for an example.

The convention application resolution passed the New Hampshire House of Representatives by voice vote. It was then hand-carried to the State senate.

The resolution was not referred to committee for study. No senate hearings were conducted on the resolution. No explanation was offered regarding the merits or demerits of the resolution. No debate was conducted on the resolution.

Instead, within minutes—or seconds—of the time the resolution was carried into the State senate, it was adopted by the senate and sent to Washington.

The adoption of the resolution was not a partisan issue in the New Hampshire Senate because it was not an issue, period. It was simply picked up and passed without any thought.

And yet, this brief act could result in the most sweeping changes in the history of our Nation.

No doubt we will hear people say that the calls for a convention represent the will of the people of the States. But I wonder how that argument can be maintained in the face of the complete lack of the basic parliamentary safeguards which were cast aside by the senate of my own State.

The New Hampshire action is particularly puzzling because it appears to be in flat opposition to the will of the voters of New Hampshire. The voters of New Hampshire have spoken on this subject, as they did on November 3, 1964, at a statewide referendum. The question on the ballot was:

> Are you in favor of amending the Constitution to apportion the senate districts on the basis of population as equally as possible without dividing any town, ward, or place?

The vote was yes, 150,179; no, 43,837.

Of the eight questions submitted to the people, this one drew the highest number of "yes" votes and the lowest number of "no" votes. I believe that I could be quite safe in saying that the people of New Hampshire have taken a very different position on this subject from that of their State senate, which acted without hearings, study, debate, or time.

Mr. President, while I am on the subject of New Hampshire, I should like to point out my very strong agreement with the distinguished Senator from Maryland, that the merits of legislative apportionment are entirely separate from the merits of calling a constitutional convention.

I took the same position as the Senator from Maryland in opposition to the proposed Dirksen amendment covering reapportionment. My distinguished and learned colleague, the Senator from New Hampshire [Mr. COTTON], disagreed with us. He believed, and still does believe, that factors other than population should be permissible in apportioning a State legislature.

Nevertheless, when it comes to the question of calling a convention, the views of the Senator from New Hampshire [Mr. COTTON] appear to be at one with ours. With his permission, which I have obtained, I shall read a statement which he made on this subject last week:

> Besides our regular routine chores of defense, foreign aid, and taxes, there are knotty questions ahead: the draft, the Electoral College, improvement of Social Security, six new civil rights bills, air and water pollution, East-West trade, outer space treaty, and other issues old and new.
>
> One of these issues has been a "sleeper" since the last Congress, but it's a sleeper that could jump out of bed with a roar. That is the proposed Dirksen Amendment to permit one body of a state legislature to be apportioned by geography rather than population. This I supported, believing states should be allowed some small protection for less populated areas. The zooming city population should have full representation but not allowed to run all the rest of the country. No one element in our society should have unchecked power over all others. But in this Report I am concerned about something far more important than the merits or demerits of the Amendment.
>
> A new and startling situation has arisen for the first time in the history of this Republic. In the 180 years since the drafting of the Constitution, every amendment has been submitted to the states by Congress and if ratified by three-fourths of them, adopted. We had almost forgotten there is another method. If the legislatures of two-thirds of the states apply to Congress, a Constitutional Convention shall be called. On this Amendment 34 states have already applied. Thus, we are closer to the brink of a national Constitutional Convention than ever before. It would be hard to think of anything more dangerous and disruptive than such a Convention. At best, it would be likely to submit a host of amendments, dividing our people and throwing bones of contention into every legislature in the land. At worst, it might even attempt to rewrite the Constitution of the United States.

Mr. President, I am pleased to be on the same side of this issue as NORRIS COTTON. His statement clearly demonstrates that this issue is not one of partisan politics, neither of Democrat against Republican, nor of liberal against conservative or moderate. The issue is simply one of carrying out our sworn responsibility of preserving and protecting the Constitution of the United States.

The issues being raised on the floor today are weighty and important for the future of our country. We do not have the opportunity to explore them in depth at this time. One of the reasons why I am hopeful that Congress will not have to come to grips with this issue is my opinion that it will take a great deal of congressional debate to resolve the issues presented. I would not be surprised to see the Senate tied up for months on end, trying to reach some consensus on the factors involved. At a time when we are engaged in a war on the other side of the earth, we can not afford the luxury of tying ourselves up in knots over obstruse constitutional questions.

Mr. President, I thank the distinguished minority leader for yielding to me.

Mr. DIRKSEN. Mr. President, on June 15, 1964, when the Supreme Court in its decision in the case of Reynolds against Sims handed down what has become quite a celebrated one-man, one-vote decision, I took immediate exception, and in January of 1965, I introduced the first resolution for a constitutional amendment to preserve in the States the right to determine their own destinies, as far as their legislatures were concerned. I was in pretty good company because over a period of time no less a person than Justice Frankfurter took the position that that was a legal thicket, or a political thicket, into which the Court should not venture.

Mr. President, once more I wish to reemphasize what the primary issue is. It is not one-man, one-vote, as such. It is the right of a State legislature to determine the complexion of at least one of its branches on a basis other than population. That basis can be geography; it can be economic interest; it can be one of a dozen things; but it does preserve in the States the right to make that self-determination.

I am afraid those fearsome persons in this body, who so freely express their fears, evidently have no trust in the people. That is another issue. I trust the people. We trust the people who send us here. I know of no good reason why we should not trust them to exercise a very clearly defined constitutional power, which is lodged in them by virtue of article V of the Constitution.

I call attention to the fact that when we were under the Articles of Confederation, there was a provision in article 13 to the effect that those Articles of Confederation could not be amended unless every State—every State, Mr. President—approvingly ratified the amendment. The result was a stalemate in our Government. Rhode Island blocked a very important amendment all by its little lonesome self. Others have blocked amendments that were deemed to be quite necessary for the functioning of those articles.

The framers of the Constitution saw that difficulty when the first call went out. Interestingly enough, Mr. President, the call did not go out to gather in Annapolis or Philadelphia for the purpose of framing a constitution. The call indicated that they were going to revise the Articles of Confederation.

There were timid souls then, who said, "Oh, don't touch this holy document." Why, there had been people in those days who said, "Don't get into difficulty with King George and his Ministers. Let things stand as they are."

Of course, the law of life is either to change or decay, and change is eternal.

That is one thing in this universe you can bet on, and bet everything you have, because change is eternal.

Now, they finally fabricated the Constitution, but that Constitution had to be sold to the people. The three great salesmen were John Jay, James Madison, and Alexander Hamilton. Of all the papers that were written to sell that document to the people, those written by Alexander Hamilton were by far the most prolific.

There are 85 papers or articles in the Federalist Papers, and Hamilton wrote 51 of the 85. In No. 85 he dealt with the question of amending the Constitution of the United States. He did it in a very forthright fashion. Hamilton was aware that things are not static, and that there come times when the people may want to have their Constitution amended, for after all, this is a government of the people.

The Constitution, in the Preamble, recites:

> We the people of the United States, * * * do ordain and establish this Constitution for the United States of America.

Today timid voices are raised, "Oh, don't touch the Constitution." We have heard that before and it has been amended more than a score of times to indicate that it cannot remain static when the need arises.

When I introduced that joint resolution for a constitutional proposal to take care of this decision by the Supreme Court and leave the complexion of at least one branch of the legislature in the hands of the people of the State, we foresaw at that time the difficulties that were going to arise. I mentioned it in this Chamber at the time when I warned the Senate: Watch out, because this is dynamite. It is proving now to be dynamite. Much of the argument that has been made is quite irrelevant to the issue. I pointed out at that time that every elective body might be subject to the one-man, one-vote principle.

Yesterday that question arose in the Supreme Court, because I have here an article entitled "High Court Ponders One-Vote Issue." What is involved? There is involved a city council, a park district, a county board, and particularly, the Houston County Board of Revenue and Control in Alabama.

In the course of the argument before the Court, one of the attorneys gave his opinion that about 20,000 of the Nation's 90,000 local bodies would be affected.

Let me just recite the last paragraph and then I shall insert the entire article in the RECORD.

> But Truman Hobbs, lawyer for the Houston County board, insisted that most of the board's work was administering 1000 miles of rural roads. He said the city "couldn't care less" about county roads and rural residents would suffer if the city dominated the county board.

That could apply, they say, to some 20,000 communities. It is no surprise that the Honorable Thurgood Marshall, the Solicitor for the Department of Justice, went before that court in March and filed his memorandum; his notice that the Department of Justice intended to intervene.

It is beginning. Here is the clarion call. Let us wait and see what is going to happen because we have taken away from the States the right to make that determination and, in so doing, I think that we have violated that first sacred clause of the Preamble which states, "In order to form a more perfect Union."

Mr. HRUSKA. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. HRUSKA. The Senator properly points out that with respect to the one-man, one-vote rule the effort is being made to apply it not only to State legislatures but also to the local political subdivisions which, in every case, are the creatures of the legislature.

Is it not true that there are also advocates of the proposition that the one-man, one-vote rule should apply to the very body which is housed in this Chamber so that there will not be two Senators to each State but representation by population of the States in this body?

Mr. DIRKSEN. Indeed so. When this matter was before the Legislature of the State of Illinois, there were a number of persons who went before that legislature to testify. I quote from an article published in the Chicago Tribune of March 9, 1967:

> One of the chief lobbyists for organized labor today may have aided the movement toward a national convention. He is John Alesia, legislative spokesman for years for the United Steel Workers and brother-in-law of Joseph Germano, midwest regional director of the USW.
>
> WILLING TO CHANGE SENATE
>
> Sen. Everett E. Laughlin [R., Freeport] asked Alesia, a witness before the senate sitting as a committee of the whole, whether his AFL–CIO organization would pursue its "one man, one vote" theories to the point that each state would not be entitled to two United States senators.
>
> "We'll accept the United States Senate on a population basis," Alesia replied.

Mr. President, well, how many Senators for New York? How many for Rhode Island? How many for Wisconsin? How many for California? How many for Illinois? How many for Arizona?

Well, Mr. President, you figure out the mathematics of the thing. But here is a spokesman for labor who said, "We will accept the U.S. Senate on a population basis."

What a body this will be.

Blow out the walls and enlarge this place because we will never be able to hold them now. It will take a lot more than that to people this hall, if this ever comes to pass. But there, he states it before a legislative body that "We will accept the U.S. Senate on a population basis."

Mr. President, I ask unanimous consent to have this article printed in the RECORD at the conclusion of my remarks, as well as "High Court Ponders One-Vote Issue," previously referred to.

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

(See exhibit 1.)

Mr. HRUSKA. Mr. President, will the Senator from Illinois yield further?

Mr. DIRKSEN. Gladly.

Mr. HRUSKA. In answer to the contention that an effort is being made to put this body on a one-man, one-vote basis, often resort is had to that part of article V of the Constitution which states:

> That no State without its consent, shall be deprived of its equal Suffrage in the Senate.

That particular article was adopted as part of the Constitution proper in 1789.

It was the 14th amendment, was it not, which was the basis of the Supreme Court's one-man, one-vote decision. The 14th amendment was adopted in 1867.

The fond hope of men such as those who testified before the Legislature of the State of Illinois is that the Supreme Court, following this reasoning, ultimately will conclude that since the 14th amendment followed in time, it supersedes article V in the body of the Constitution.

Mr. DIRKSEN. Precisely so.

Mr. President, the distinguished Senator from Maryland says, "I am afraid."

Afraid of what? The people?

The distinguished Senator from New York says, "I am afraid."

Afraid of what? The people?

Well, Alexander Hamilton was quite aware of these things when he wrote Federalist Paper No. 85. The people were a little afraid at that time about this Constitution and what should they do if they had an obdurate Congress with which they could not deal. They would want an amendment to that Constitution as first proposed—and there were quite a number of proposals by Charles Pinckney and others on amendments—but they finally adopted article V so that the Congress could initiate a constitutional amendment and send it to the States for ratification. Then, they provided that the people, through their legislatures, could initiate a constitutional connection to propose amendments if Congress refused or failed to do so.

Fancy a hostile Congress that would not do anything about a resolution which came down here.

Well, they had to sell the people on that idea. So, let me read to the Senate what Mr. Hamilton had to say:

> By the fifth article of the plan, the Congress will be obliged, on the application of the legislatures of two-thirds of the States which at present amounts to nine, to call a convention for proposing amendments which shall be valid to all intents and purposes as a part of the Constitution when ratified by the legislatures of three-fourths of the States, or by conventions in three-fourths thereof.

Hamilton continued:

> The words of this article are peremptory.

Well, what does peremptory mean?

Peremptory is absolute. There is no escaping it. That is what Hamilton said, in order to mollify the fears of the people.

Then he went on:

> Nothing in this particular is left to the discretion of that body—

Meaning Congress.

I read that glorious sentence again:

> Nothing in this particular is left to the discretion of that body.

Yes; Mr. President, they were wise men, those framers. They had all this in mind.

Hamilton continued:

> And of consequence, all the declamation about the disinclination to a change vanishes in the air.

That is Alexander Hamilton speaking, addressed to the people of the 13 States, to be able to say to them, "Fear not. We have put a power in your hands. The Congress cannot thwart you because it is peremptory. We have left no discretion in congressional hands."

Now there is one thing about it: although they have been declaiming on this subject, they have forgotten one thing about a constitutional convention. They have forgotten that a constitutional convention cannot amend the Constitution.

What it can do is to propose an amendment, and nothing more.

That proposal must then go to the country, and the country will then determine whether to ratify or not. It takes three-fourths of the States to ratify. Thus, a constitutional convention itself could consider a host of things. Not a comma or a period could be inserted in the Constitution until three-fourths of the States had solemnly ratified everything that was proposed.

I have no fear of the people. I do not understand these apprehensions and these ghosts under the bed that are seen by those who are now trying to scale down and undo, if they could, what has been built up in securing the applications of 32 States.

Mr. President, the distinguished Senator from Maryland had your State of Alaska on the phone a good many times—so did I—talking to the leaders of both houses of Alaska. The proposal went through one house in Alaska. It failed in the other house by three votes. I am inclined to feel that it was because there was a little political intrusion in it that it failed; but that is a personal opinion of mine.

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

Mr. DIRKSEN. I yield.

Mr. HRUSKA. Does not article V further provide that ratification can be had by the legislatures of three-fourths of the States or by conventions in three-fourths of the States?

Mr. DIRKSEN. Indeed, it does.

Mr. HRUSKA. Is it not the intention of the Senator from Illinois, and would it be his thinking, that there would be submitted an act to implement the calling of a constitutional convention. It would provide for the selection of conventions within the States for the purpose of considering ratification of any proposal by the convention to amend the Constitution?

Mr. DIRKSEN. Absolutely so.

Mr. HRUSKA. We find evidence in the statements of those who oppose the submission of an amendment of a complete lack of trust and confidence in the competence of the people to govern themselves. It is a rejection of our republican form of government and our democratic form of government.

Mr. DIRKSEN. Let us make up our minds whether this is a government of the people and by the people or not. Abraham Lincoln, standing at that holy spot in Gettysburg, uttered the prayer, as it were, that government of the people and by the people shall not perish from the earth. That has been the great philosophy of our party, and I adhere to it as firmly now as the Great Emancipater did when he uttered those deathless words.

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

Mr. DIRKSEN. I yield.

Mr PROXMIRE. May I ask the Senator from Illinois if he still takes the position which he took 2 years ago, and I would like to quote very briefly from what he said——

Mr. DIRKSEN. The Senator does not have to quote me. It has already been quoted.

Mr. PROXMIRE. I understand, but, to frame the question appropriately, I would like to quote what he said.

Mr. DIRKSEN. I would like to ask the Senator, Where is the whole speech?

Mr. PROXMIRE. The Senator is here. He can supply the context. This is what he said 2 years ago in that speech:

> There can be and is a genuine fear of a constitutional convention on the part of many thoughtful people who urgently are working toward enactment of a constitutional amendment. The fear is simple. There has never been a constitutional convention since these United States became a nation. There is strong legal opinion that once the states have mandated a convention, the courts nor the executive can control it, guide it, or establish the matters with which it would deal. A constitutional convention, many sincere people believe, would, once unlocked, spread in every direction.

I wish to ask the Senator from Illinois if he still feels that sincere and thoughtful people feel that way, or whether he would disagree that sincere and thoughtful people feel that way.

Mr. DIRKSEN. Oh, I never disagree with sincere people, but I call attention to the fact that I set up some premises and then proceeded to knock them down.

Mr. PROXMIRE. Would the Senator concede, as he said 2 years ago, that there is strong legal opinion that once the States have mandated a convention, the courts, as well as the executive, could not guide or control such a convention?

Mr. DIRKSEN. Exactly; and for what reason? If the courts or the executive could guide and control a convention, why have article V? That is what Hamilton was pointing out in his papers when he spoke about a hostile government that would not give ear to the people. So here we have the power of the people, and it is provided for in article V.

Mr. PROXMIRE. So the Senator is not only saying that if this convention is called it can go in any direction, but is he now adding that in his judgment this is the way a constitutional convention of the people should develop?

Mr. DIRKSEN. That is right, and the States upon their applications have indicated an interest in one thing, which is the question of apportionment.

Mr. PROXMIRE. Then, the Senator would entertain only those petitions which would specify they are interested in apportionment; others would be considered invalid?

Mr. DIRKSEN. I do not run the convention.

Mr. PROXMIRE. No, but the Senator from Illinois is one of the most influential Members of this body and the principal proponent of a constitutional convention. He would certainly have a major influence on what the petitions acceptable by the Congress should contain and what Congress should consider in giving force to the applications. The Senator is taking the position that only those petitions which would seek to overturn the one-man, one-vote principle would be entertained.

Mr. DIRKSEN. That is the only thing that the legislatures have asked for.

Mr. PROXMIRE. There are a number of States that have asked for a convention that would restrain the powers of the courts over some legislatures.

Mr. DIRKSEN. The fear is expressed that the legislatures would run hog wild. Apparently the Senator has no confidence in his State legislature.

Mr. PROXMIRE. Maybe a little less confidence in a Republican-controlled one than I would have in a Democratic one.

Mr. DIRKSEN. Before the control went into Republican hands, the Senator from Wisconsin uttered the same fear, because this goes back to 1964.

Mr. PROXMIRE. I may mention to the Senator from Illinois that the Wisconsin Legislature is now considering this matter. The majority leader of the State senate has specified that no convention would be called, but that this would bring to the attention of the people that a State should have a right to apportion the membership of one house on a basis other than population. He says this Wisconsin petition is not going to result in a convention, contrary to what the Senator from Illinois said 2 years ago.

Mr. DIRKSEN. If the Senator is quoting, perhaps the rest of the quotation can be supplied. The expectation is that a convention would be called. If a correspondent was quoting the gentleman, I do not think it is correct, because he was referring to a convention to consider this question.

Mr. PROXMIRE. I am quoting the reporter who gave the position of Senator Robert Knowles as being that it was his belief that a convention would not be called. He said Congress would get some indication of the unrest of the people. He said that is the object of the petition. His view is that a convention is not going to be held. He is the majority leader of the State senate, and the prime proponent of the petition. His view that the petition would simply bring to the attention of the Congress of the United States the unrest brought about by the failure of the Senator from Illinois to write an amendment and to get congressional approval for it.

Mr. DIRKSEN. He is giving his belief that Congress should act.

Mr. PROXMIRE. He said it would not act, that there would not be a constitutional convention. He does not want it, apparently.

Mr. DIRKSEN. He must have been misquoted, because in that resolution there is a statement of intention if Congress did not submit an amendment before the 30th of June, the convention is to be called. If Congress acted, a convention would become moot.

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

Mr. DIRKSEN. I yield.

Mr. HRUSKA. Is that not exactly what happened when the 17th amendment was proposed?

Mr. DIRKSEN. Exactly.

Mr. HRUSKA. The same condition was expressed—that if it was not done by the Congress it should be done through a constitutional convention—and the Congress saw the handwriting on the wall and proposed the 17th amendment, and it was ratified.

Mr. PROXMIRE. I think this debate is very helpful. The Senator is saying that the purpose of this procedure in the State legislatures all over the country is to put Congress in such a mood as to act on the Dirksen amendment of last year; it is not to call a constitutional convention, which the distinguished Senator from Nebraska as well as the great and distinguished Senator from Illinois, who are conservatives in the best sense, must know could radically and tragically change our Constitution.

Mr. HRUSKA. Why does not this Congress amend in every conceivable manner the Constitution of the United States? It can propose amendments all over the place if it wants to. Why does not this Congress run away in its effort to amend the Constitution? Commonsense and good faith restrains it. For the same reason I would be very confident and extend every good faith to the representatives in a national convention. As the Senator from Wisconsin will surely concede, all wisdom does not abide in the 100 Members of this body. Surely those selected to the high honor and heavy responsibility of representing the people in a national convention can be given the confidence of possessing good faith and good judgment.

They cannot run away, because it would take 38 State legislatures or constitutional conventions to adopt and ratify their amendments. And, Mr. President, if that is accomplished, who shall deny them the right to exercise the constitutional prerogatives contained in article V? Who is to say? These people representing temporarily the States of the Union?

The significant point in this whole matter is the effort to permit the people to speak. If the amendment is ultimately adopted, it would be a plan which would be approved by the legislatures of the States, calling for representation on a basis other than population in one of the bodies of the legislature, subject to one thing, Mr. President, and that is a popular vote of the people on that issue. Not only once, but every 10 years.

If it is not a proposition of being afraid to trust the people, and of lack of confidence in their ability, to oppose that kind of a proposition, then I do not recognize the breed of the animal.

Mr. PROXMIRE. Mr. President, once more, here is the box we are putting ourselves into: the State legislatures are deeply concerned because under the Court's ruling, they must apportion both Houses on the basis of population. They feel very strongly on this particular issue. They have petitioned for a constitutional convention to act on the issue.

Nevertheless, article V is very clear; and it seems to me, if I understand anything the Senator from Illinois has said this morning, that his view is that a constitutional convention could not be bound, and he says it should not be bound. They do not have to confine themselves simply to apportionment. They can repeal the first 10 amendments of the Constitution, if they wish to do so.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to proceed for an additional 30 minutes.

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

Mr. PROXMIRE. And what is the answer of Senators DIRKSEN and HRUSKA to this "Pandora's box" nightmare? The Senator from Nebraska supplied it when he asked what is wrong with relying, number one, on a vote of the people who were elected by all the people to take part in this constitutional convention. with the double check that it would have to go through three-quarters of the legislatures or three-quarters of the States having conventions in order to be ratified.

The answer to the Senator is that those of us who have had experience with State legislatures know that a proposal as extreme as abolishing the Federal income tax—the primary basis for supporting our Government has passed a shocking large number of our State legislatures.

State legislatures have far less knowledge of Federal problems and little or no responsibility for them.

Frankly if the Congress should call a constitutional convention, I would expect a number of extreme amendments to be offered and adopted by three-quarters of our State legislatures.

Mr. HRUSKA. The same article would allow them to reconsider, would it not?

Mr. PROXMIRE. What I am trying to get at is that we have had, for the 180 years of our Republic's history, amendments acted upon, with Congress originating them, never calling a constitutional convention. Members of Congress responsible for Federal law and experience in Federal lawmaking have had and should have the principal voice in acting on constitutional amendments. I think those 180 years represent some accumulated wisdom. We should recognize that once you call a convention of this kind, of people who in most cases have not had experience in Federal office, as Members of Congress have had, of people who have not had the kind of seasoning in working with legislation that Members of Congress have had, almost anything could happen.

Mr. HRUSKA. Exactly.

Mr. PROXMIRE. And three-quarters of the legislatures could act under those circumstances.

Mr. HRUSKA. That is what the Constitution provides.

Mr. PROXMIRE. It is not a matter of not trusting the people. None of us would be here if we did not trust the people. It is a matter of recognizing we have established a good practice, in the past, in accordance with the first provision of article V, and that it could be most unfortunate if we now turn to an untried method which could result in many radical changes in our form of government.

Mr. HRUSKA. The Senator is using words of tact, and they are quite blandishing, but the substance of what he is saying is this: "I do not think the people are competent to govern themselves and make this decision for themselves." That is the plain import of the Senator's statement.

Mr. DIRKSEN. Mr. President, I must remind my friend from Wisconsin all over again that a constitutional convention could propose an amendment to adopt the metric system in the United States; but he forgets that it has got to go back and receive the approval of three-fourths of the States before it ever gets within the four corners of the Constitution of the United States.

The point has been made here this morning that these applications are invalid, because they date back, in some instances, to 1963. I think the Supreme Court demolished that argument pretty well in connection with the 17th amendment, in the case of Dillon against Glass. That is the amendment that provided for the direct election of Senators. It was attacked because of section 3 in the amendment, which allowed 7 years for ratification.

Oh, the great to-do, the hue and cry that was made, that that was out of all reason. But when the Supreme Court got through, they said 7 years was a reasonable time.

If 7 years is reasonable for ratification, is 4 years an unreasonable time in which to initiate, by State application, a convention for the purpose of amending the same Constitution to which they have 7 years to approve an amendment? I submit that the rule of reason applies in every case.

It has been said that some of the applications are not valid as to form and substance. Mr. President, the Constitution of the United States is completely silent on that point. Since State legislatures must initiate, under article V, that is a matter for them to determine. All that is needed, by a rule of reason, is a clear expression of intent by the legislatures. So what difference does it make in what form the application for a convention is made?

It has been said that some of the legislatures passed these resolutions when they were malapportioned. If that made this action invalid, then why not apply this same rule to everything that those legislatures did from the time they were malapportioned? Why not strike down the appropriations, strike down the validation of nominations to State courts

and to State offices, strike down all the policy legislation and statutes they may have passed?

Besides that, 25 of those States which are alleged to have been malapportioned approved 25 amendments to the Constitution, and we still accept them as valid.

I defy Senators to find anywhere, in any decision, the word "illegal." The court has never said that a malapportioned legislature is an illegal legislature. They have been accepted in due course.

Can Congress limit or control the convention? One of the reasons Alexander Hamiliton wrote that article 85 in the Federalist was to make clear to people that no hostile Congress could thwart the will of the people, if they wanted to amend their own organic law. That makes good sense.

Now comes the great expression of fear that people are going to run hog wild, that a convention will run hog wild. Well, you would have to have either the legislatures or the conventions in three-quarters of the States also run hog wild before you could add one word or one syllable to the Constitution.

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

Mr. DIRKSEN. I yield.

Mr. HOLLAND. Mr. President, I am so glad that the distinguished Senator is making this speech, and particularly that he refers to the fact that 25 amendments to the Constitution have been adopted by legislatures which under the present law would have been held to be malapportioned.

I recall many Supreme Court decisions in which these amendments have been followed, approved, and interpreted. As late as the time of the Virginia poll tax decision, the Court found occasion to approve and to comment upon the 24th amendment, which was ratified prior to the amendment most recently adopted.

I wonder with the adoption of the 25th amendment, if on any occasion when it is exercised—and I hope there will not be any occasion—somebody will raise the question that the Vice President who happens to come into office or the President, as the result of the functioning of the 25th amendment is not really the President because a malapportioned legislature, or several of them, happened to be among the 38 States that adopted that amendment.

The whole argument seems to me to be completely fallacious. I am glad that the Senator is exposing it.

I hope that the Senator is successful in his effort to have the legislatures, speaking for the people of the State more clearly than any other groups can speak, demand action in this field.

We have recently had a horrible example in my State of Florida of what happens when the court reapportions. I think our people are sick of it. For instance, we have the coupling of Broward County, the county of Fort Lauderdale, in a circuitous route with Monroe County, which is almost an independent principality for the selection of senators, so that all three State senators allowed in that widely extended district have now been named by Broward County. That is a situation in which a citizen from Key West has to come 169 miles to Miami, plus the 28 or 30 miles to Fort Lauderdale, before he can find a State senator to discuss special or local legislation which vitally affects him and his county. There is no State senator who knows what happens in his particular county of Monroe.

I hope the Senator from Illinois will continue to pursue this course of action with the perseverance which has marked his activity in the past. I hope that he will be successful in his course of action. So far as the senior Senator from Florida is concerned, he proposes to cooperate with him to the fullest possible extent in any way in which he can cooperate.

Mr. DIRKSEN. Mr. President, I remind the distinguished Senator from Florida of the Supreme Court case in which argument was finished yesterday. It involved local districts, like towns and cities. In the case of Houston County, Ala., the board of revenue and control administers 1,000 miles of highway dominated by the city. As the attorney said before the Court, the city could not care less about country roads.

This is already simmering down. It was estimated yesterday before the Court that as many as 20,000 local political subdivisions might be affected. They would consist of school boards, park boards, drainage districts, cities, and counties. You name it, and it will come within the purview. However, the Court is trying to find out where to draw the line, now that the damage has been done.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. Mr. President, if I may revert again to the case I just mentioned, which is only one of the horrible situations resulting in my State from a court reapportionment, I can say from some knowledge that many of the questions that will come up on a local basis in Monroe County—the county of Key West—have to do with marine or maritime matters—for instance, the stone crab, which the distinguished Senator knows of and loves so well as a table delicacy. Shrimp are found there in great profusion, as well as sea turtles and other sea creatures which are harvested from the gulf or the Atlantic at or near Key West.

Is it not rather ridiculous to have a local legislator address himself to the handling of problems such as these which are decided in the Florida Senate by three State senators from Broward County, on the mainland of the Atlantic coast, where none of these problems exists? They have to handle matters concerning which they have no knowledge, matters like the Key West crawfish, which are of vital importance to the people in that far-off area which happens to belong to the suzerainty of three Senators who live up in the Fort Lauderdale area. There could not be any more ridiculous situation than to expect those three State senators to know, understand, and be able to deal with the local problems affecting Key West, or Monroe County.

I cite that as an illustration of where we can go when we try to operate on an arbitrary one-man, one-vote basis, particularly when we place jurisdiction and authority in the courts, and have cases decided by men who have life tenure, who do not care whether the people like it or not, who do not care whether it suits the desires of the people or not, but simply decide questions on a mathematical basis by a circuitous route, taking a course such as was adopted in that case, by which they linked Key West, through the little west coast county of Collier, with the great county of Broward, so that Broward, with its 10-to-1 voting strength over both those counties—can dominate the entire delegation.

It is not right. It is not democratic. It is not sound. It ought to be corrected, and I hope the Senator from Illinois will persevere in his effort to have such situations corrected.

Mr. DIRKSEN. Mr. President, I say to my distinguished friend, the senior Senator from Florida, that we have persevered, and we shall continue to do so.

The votes of only seven other Senators were necessary to adopt the resolution that I offered in January 1965, to provide the constitutional two-thirds. Only seven other votes were needed. The vote was 57 to 39, and we fell just a few votes short.

The Senate should have passed that resolution, and the House should pass it. Then, let it go to the people and see what they have to say. However, here we have the expression: "I am afraid of the people."

All I can say, as was written on the ancient parchment long ago: "O, ye of little faith."

I think that is a good place to stop, and we will join in combat at some time later. So, I leave it at that for the moment.

I shall fervently hope that, in a number of States where this resolution is under consideration, they will see fit to approve it.

When we get the necessary 34—and we require only two additional States—I shall march in here, because this is a matter of the highest privilege, with a concurrent resolution and ask that it go to the calendar so that it can be considered in due course.

Mr. President, I believe that will be the end of the discussion for the moment.

There is much that I could add, but I shall do that on a subsequent occasion.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Chicago Tribune, Mar. 9, 1967]

STATE SET TO JOIN ONE-MAN, ONE-VOTE FIGHT—SENATE EXPECTED TO APPROVE DIRKSEN PLAN

(By George Tagge)

SPRINGFIELD, ILL., March 8—Joining a revolt against the "one man, one vote" dictation by the United States Supreme court, the Illinois legislature today prepared to join the legislatures of 27 other states in demanding a national convention to revise the federal Constitution.

The Illinois Senate gave every sign that next week it will adopt a resolution to put Illinois on record in the march toward action by 34 states to achieve the national constitutional covention.

SUGGESTED BY DIRKSEN

Last week the Illinois House adopted the resolution and sent it to the Senate, as suggested by United States Senate Minority Leader Dirksen [R., Ill.]. Dirksen for years has been seeking means of restoring the right

of states to follow the federal system in setting up legislatures if their voters want it.

Until the Supreme court several years ago upset the traditional rights of states in this field, most of them followed the system of having one legislative body based on population, and the other chamber based also on other factors.

WOULD ELECT JUSTICES

Illinois voters in 1954 overwhelmingly adopted the federal system but they were overruled by the supreme court headed by Chief Justice Earl Warren, former governor of California.

The anti-supreme court trend was sparked here yesterday by introduction of a Senate resolution aiming at election of justices of the United States Supreme court. This would also be the subject of a national convention obtained by the same method as the one on legislative apportionment.

The move toward abolishing Presidential appointment of Supreme court members was proposed by a freshman Republican, Sen. Joseph J. Krasowski of Chicago's southwest side.

An ultra-liberal Democrat, Sen. Paul Simon of Troy, sought to get a promise of delay beyond next week from Sen. Hudson Sours [R., Peoria], chief sponsor of the Dirksen plan resolution.

CITES 14TH AMENDMENT SPEED

Sours replied that the 14th amendment to the United States Constitution, on which the Supreme court based its "one man, one vote" rulings, was created in less time than is being taken in Springfield to try to modify just one effect.

Sen. Robert McCarthy [D., Decatur] objected that the League of Women Voters favors the pronouncements of the Supreme court and has not had a chance to go into action since the revolt started here last week.

One of the chief lobbyists for organized labor today may have aided the movement toward a national convention. He is John Alesia, legislative spokesman for years for the United Steel Workers and brother-in-law of Joseph Germano, mid-west regional director of the USW.

WILLING TO CHANGE SENATE

Sen. Everett E. Laughlin [R., Freeport] asked Alesia, a witness before the senate sitting as a committee of the whole, whether his AFL–CIO organization would pursue its "one man, one vote" theories to the point that each state would not be entitled to two United States senators.

"We'll accept the United States Senate on a population basis," Alesia replied.

Surpised by the union lobbyist's answer, other senators asked him similar questions and obtained similar replies.

"We would support reapportionment of the United States Senate on a population basis," was Alesia's final version.

STATES CAN FORCE ACTION

Article 5 of the Constitution provides that a convention to revise this basic law may be had if two-thirds of the states agree on this goal.

Simple majorities are sufficient to adopt the national constitutional resolution.

In contrast, two-thirds majorities in the Senate and House here are needed to adopt a pending resolution for a state convention to revise the Illinois constitution of 1870.

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[From the Washington Post]

HIGH COURT PONDERS ONE-VOTE ISSUE

(By John P. MacKenzie)

The Supreme Court searched yesterday for a place to draw the line on the "one person, one vote" principle for local government.

The Justices completed two days of oral argument in four local reapportionment cases. They heard warnings of a "political thicket" more dangerous than State legislative reapportionment, and complaints of a continuing "rural stranglehold" on cities at the level of county government.

They were assured by lawyers for city dwellers that the problem was manageable despite the number and variety of county and city governing units. One lawyer said that about 20,000 of the Nation's 90,000 local bodies would be affected.

ONLY 20,0000?

"Only 20,000?" asked Justice Byron R. White. "That's a lot more than 50," Justice William J. Brennan Jr. added, referring to the number of state legislatures governed by the 1964 equal-population decision.

Justice Abe Fortas said the problem was: "What is local government?" He demanded in each case to know the specific governmental powers the State had delegated to local political units. In no case could opposing counsel agree.

Justice Department Attorney Francis X. Beytagh, supporting extension of the equal-population rule, said Fortas's functional approach would bog the Court down in details not involved in the four cases. He said the rule should apply whenever the State provides for elections by districts to a body with any governmental powers.

At issue are the election processes for these political units:

The school board of Kent County, Mich. Grand Rapids has more than half the County's population, but its school district is only one of 21 in the County, each district having a vote in the annual selection of school board members.

The Board of Revenue and Control of Houston County, Ala. The City of Dothan, which has more than half the County's voters, is outnumbered by four rural districts.

The Board of Supervisors of Suffolk County, Long Island. The County is composed of 10 towns ranging in population from 1300 to 172,000 but each town is entitled to one Board member.

The City Council of Virginia Beach, Va. All its 11 members are elected at large, but seven must reside in each of seven boroughs that vary in population from 733 to 29,000.

MOST DIFFICULT CASE

Beytagh conceded that the Michigan case was "the most difficult" of the four because the school board is not elected directly by the people. But he said most school boards are popularly elected and should be covered by any equal population ruling.

School board attorney Paul O. Strawbecker insisted that in Michigan, "education has never been a part of local self-government." He insisted that fairly apportioned state legislatures were "more competent than any court" to distribute political power below the state level.

Washington attorney Charles S. Rhyne, who argued in the breakthrough 1962 case of Baker vs. Carr, urged the Justices to extend the rule because "it's a principle that you just can't carve up."

But Truman Hobbs, lawyer for the Houston County board, insisted that most of the board's work was administering 1000 miles of rural roads. He said the city "couldn't care less" about county roads and rural residents would suffer if the city dominated the county board.

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## INVESTMENT TAX CREDIT

The PRESIDING OFFICER. The hour of 1 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 6950) to restore the investment credit and the allowance of accelerated depreciation in the case of certain real property.

## ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent, notwithstanding the fact that the morning hour has expired, there be a brief period for the transaction of routine morning business; and I ask unanimous consent that statements during that period be limited to 3 minutes.

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

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## MESSAGE FROM THE HOUSE

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

H.R. 1574. An act for the relief of Bryce A. Smith;

H.R. 1670. An act for the relief of Dr. George H. Edler;

H.R. 4566. An act for the relief of Mary F. Thomas;

H.R. 6167. An act to authorize the extension of certain naval vessel loans now in existence and a new loan, and for other purposes; and

H.R. 8569. An act making appropriation for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1968, and for other purposes.

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## HOUSE BILLS REFERRED

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

H.R. 1574. An act for the relief of Bryce A. Smith;

H.R. 1670. An act for the relief of Dr. George H. Edler; and

H.R. 4566. An act for the relief of Mary F. Thomas; to the Committee on the Judiciary.

H.R. 6167. An act to authorize the extension of certain naval vessel loans now in existence and a new loan, and for other purposes; to the Committee on Armed Services.

H.R. 8569. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1968, and for other purposes; to the Committee on Appropriations.

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## REMOVAL OF INJUNCTION OF SECRECY FROM EXECUTIVE I, 90TH CONGRESS, FIRST SESSION, THE CONSULAR CONVENTION BETWEEN THE UNITED STATES AND FRANCE

Mr. BYRD of West Virginia. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from Executive I, 90th Congress, first session, the Consular Convention between the United States of America and France, together with a protocol and two exchanges of notes relating thereto, signed at Paris on July 18, 1966, transmitted to the Senate today by the President of the United States, and that the convention, together with the President's message, be referred to the Committee on Foreign Relations, and

that the President's message be printed in the RECORD.

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

The message from the President is as follows:

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the consular convention between the United States of America and France, together with a protocol and two exchanges of notes relating thereto, signed at Paris on July 18, 1966.

The convention deals with the conduct of consular relations between the two countries and the functions, privileges, and immunities of their respective consular officers. It covers such important matters as the obligations of the two countries to insure free communication between a citizen and his consul, to inform consular officers of the arrest or detention of their citizens, and to permit visits by consuls to any of their citizens who are in prison. It covers consular functions and responsibilities in such fields as the issuance of visas and passports, and the performance of notarial services. It provides for the inviolability of consular communications, documents, and archives, and the obligation of the host country to protect consular premises against intrusion or damage.

I recommend that the Senate give early and favorable consideration to the convention and give its advice and consent to its ratification.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *April 19, 1967.*

## EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDING OFFICER (Mr. PEARSON in the chair), laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

AMENDMENT AND CLARIFICATION OF REEMPLOYMENT PROVISIONS OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes (with accompanying papers); to the Committee on Armed Services.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on need to strengthen controls over use of modified live virus vaccines in the hog cholera eradication program, Agricultural Research Service, Department of Agriculture, dated April 1967 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on savings available to the Government through revision of the method of supplying commercial rental cars, General Services Administration, dated April 1967 (with an accompanying report); to the Committee on Government Operations.

REPORT ON PROJECTS SELECTED FOR FUNDING UNDER THE WATER RESOURCES RESEARCH ACT OF 1964

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on projects selected for funding under the Water Resources Research Act of 1964 (with an accompanying report); to the Committee on Interior and Insular Affairs.

INCREASE OF APPROPRIATION FOR CONTINUING WORK IN THE MISSOURI RIVER BASIN

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to increase the appropriation authorization for continuing work in the Missouri River Basin by the Secretary of the Interior (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON EXTRAORDINARY CONTRACTUAL ACTIONS TO FACILITATE THE NATIONAL DEFENSE

A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report on extraordinary contractual actions to facilitate the national defense, for the calendar year 1966 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON AUDIT OF FINANCIAL TRANSACTIONS OF THE NATIONAL SAFETY COUNCIL

A letter from the president, National Safety Council, Chicago, Ill., transmitting, pursuant to law, a report on audit of the financial transactions of that council, for the year 1966 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON THIRD PREFERENCE AND SIXTH PREFERENCE CLASSIFICATION FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports on petitions approved according the beneficiaries of such petitions third preference and sixth preference classification (with accompanying papers); to the Committee on the Judiciary.

REPORT OF ADVISORY COUNCIL ON STATE DEPARTMENTS OF EDUCATION

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report of the Advisory Council on State Departments of Education, for the fiscal year ended June 30, 1966 (with an accompanying report); to the Committee on Labor and Public Welfare.

## PETITIONS AND MEMORIALS

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

By the PRESIDING OFFICER:

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

"RESOLUTION

"A joint memorial requesting the President of the United States to restore the cutback and to oppose any future reduction in New Mexico highway fund allocations

"Whereas, highway safety is of vital concern to New Mexico Citizens, and official state figures disclose that an estimated one hundred two lives have been saved on already completed interstate highways, and it is estimated that completion of our interstate system in New Mexico will result in one thousand eighty fewer accidents and two hundred fewer deaths annually; and

"Whereas, large segments of New Mexico have been declared economically depressed areas with recent statistics disclosing that gain in per capita income in our state is the lowest in the union, and curtailment or cutback in highway construction has already resulted in the discharge of hundreds of employees directly employed by the industry and its suppliers with consequent reduced money flow, reduced tax revenue and a chaotic economic situation which is certain to result; and

"Whereas, the state of New Mexico has, in the past, expended the maximum amount of available federal funds for highway construction and the imposition of the proposed cutbacks will cause a sixty-one percent reduction of available funds in the last half of 1967, and moneys must be allotted for planning and preliminary engineering from the remaining thirty-nine percent thus leaving even less available for construction with the result that grave delays will be encountered along with the inevitable continued loss of life and limb, together with increasing economic depression for the citizens of our state;

"Now, therefore, be it resolved by the Legislature of the State of New Mexico that the president of the United States, the Honorable Lyndon B. Johnson, is urged and implored to immediately restore the cut-back in our New Mexico highway fund allocations and to oppose any other future reductions; and

"Be it further resolved that a copy of this memorial be transmitted to the president of the United States, to each member of the New Mexico congressional delegation, to the president of the United States senate, and to the speaker of the United States house of representatives."

A resolution of House of Representatives of the State of New Mexico; to the Committee on Agriculture and Forestry:

"RESOLUTION

"A house memorial relating to certain provisions in the cropland adjustments program and requesting consideration of them by the Secretary of Agriculture and the U.S. Congress

"Whereas, the eighty-ninth congress of the United States repealed the provisions of the soil bank program and enacted the cropland adjustments program; and

"Whereas, the soil bank program provided for participation of parts of farms, and the cropland adjustments program has been used for retirement of whole farms; and

"Whereas, the limited amount of money which the secretary of agriculture can now expend on reserving farm acreage has resulted in inequitable participation in the cropland adjustments program:

"Now, therefore, be it resolved by the House of Representatives that the secretary of agriculture and the United States congress are respectfully requested to consider a more equitable method of participation for producers in the cropland adjustments program by apportioning the farm lands held in reserve in such manner as to provide for wider distribution of the benefits; and

"Be is further resolved, that copies of this memorial be sent to the secretary of agriculture, the speaker of the United States house of representatives, the president pro tempore of the United States senate and to the New Mexico delegation to the United States congress."

A resolution of the Senate of the State of New Mexico; to the Committee on Armed Services:

"SENATE MEMORIAL 28

"A memorial requesting the Congress of the United States to amend the draft laws to allow a more equitable selection from disadvantaged minority groups

"Whereas, the minority groups in the state of New Mexico have been economically and educationally deprived and few of the young men in these groups can afford to attend college; and

"Whereas, without a college deferment from the draft, these men are inducted into

the armed forces, or to avoid the draft, volunteer for other branches of the armed forces; and

"Whereas, New Mexico's largest minority group consists of Americans of Spanish descent and constitutes some twenty-nine percent of the population of the state; and

"Whereas, approximately sixty-nine percent of all inductees from New Mexico are of Spanish extraction; and

"Whereas, of fifty-eight New Mexicans killed in Vietnam during 1966, twenty-five were Americans of Spanish descent;

"Now, therefore, be it resolved by the Senate of the State of New Mexico that the congress of the United States is requested to amend the draft laws to allow a more equitable selection from disadvantaged minority groups; and

"Be it further resolved that copies of this memorial be sent to the speaker of the United States house of representatives, the president pro tempore of the United States senate and the New Mexico delegation to the United States Congress."

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

"SENATE JOINT MEMORIAL 9

"Memorial memorializing the Congress of the United States to designate or appoint a committee to investigate the cancellation and discontinuance of contracts for the transportation of mails by railroads, and conditions resulting therefrom

"Whereas, The post office department of the United States has pursued a systematic program of replacing contracts for the transportation of mail by the railroads of this nation with contracts for the transportation thereof by other means; and

"Whereas, The National Transportation Policy of the Congress of the United States is to develop and preserve a national transportation system by rail adequate to meet the needs of the commerce of the United States, of the postal service, and of the national defense; and

"Whereas, One essential element for the continuance of a sound, efficient rail system in this nation is economic stability, which, in turn, is dependent on contracts for the transportation of mail; and

"Whereas, Many railroads have been and will be forced by economic necessity to cancel and eliminate many scheduled passenger trains across the nation, thereby depriving many areas of this nation of year-round transportation and mail facilities, as a direct result of the discontinuance of such mail contracts; and

"Whereas, The economic well-being of thousands of citizens and of hundreds of communities is being endangered by said program of the post office department, thus further increasing the manifold problems of the President and of the Congress in the current 'War on Poverty'; and

"Whereas, In times of emergency, the railroads are looked to and expected to provide safe, dependable transportation for the nation and its citizens, and of its mail, when other methods are ineffective; and

"Whereas, Previous efforts of the General Assembly of the state of Colorado and interested citizens of this state have failed to elicit any efforts by the post office department to correct the problems resulting from the cancellation of contracts for the transportation of mail by rail; 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 the Congress of the United States be requested to designate or appoint some appropriate committee or subcommittee to investigate the over-all effects upon the railroads, in particular, and the whole transportation system, in general, of the nation, directly resulting from the cancellation and discontinuance of contracts for the transportation of the mails by rail.

*"Be It Further Resolved,* That a copy of this Memorial be transmitted to each of the following: The President of the United States, the President of the Senate of the Congress of the United States, the Speaker of the House of Representatives of the Congress of the United States, the Chairman of the Senate Post Office and Civil Service Committee, the Chairman of the House Post Office and Civil Service Committee, and to each member of Congress from the state of Colorado."

A joint resolution of the Legislature of the State of Washington; to the Committee on Commerce:

"I, A. Ludlow Kramer, Secretary of State of the State of Washington and custodian of its seal, hereby certify that according to the records on file in my office

"The attached is a true and correct copy of Senate Joint Memorial No. 23 as passed by the 1967 Extraordinary Session of the Legislature of the State of Washington now in session, praying that the Congress of the United States take proper action necessary to implement the intent of the Maritime Act of 1936 so as to reestablish the United States as a leading maritime power among the nations of the world. In witness whereof I have signed and have affixed the seal of the State of Washington to this certificate at Olympia, the State Capitol, April 12, 1967.

[SEAL] "A. LUDLOW KRAMER,
*"Secretary of State.*

"'SENATE JOINT MEMORIAL 23

*"'To the Honorable Lyndon B. Johnson, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, to the Senate and House of Representatives of the United States, in Congress assembled, and to the Secretary of Commerce:*

"'We, Your Memorialists, the Senate and the House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"'Whereas, The Merchant Marine Act of 1936 sets forth the intent of congress that the United States shall have an American flag ship merchant fleet capable of carrying a substantial portion of our water-borne commerce and of serving as a naval or military auxiliary in time of war or national emergency; and

"'Whereas, Despite the intent of the 1936 Act, our American flag merchant marine has continued to decline in number of ships, and in terms of the percentage of our cargo carried by these vessels; and

"'Whereas, This decline is most strikingly demonstrated in the current Viet Nam emergency in which, as a result of increased shipping needs, our government has turned to foreign flag ships, not only to fulfill its commercial commitments, but to carry military cargoes as well; and

"'Whereas, The United States is now carrying about eight percent of our imports and exports in American flag ships and holds the fourteenth place in new shipbuilding among nations of the world; and currently Russia has five hundred sixteen vessels under construction while the United States has but forty-nine;

"'Now, therefore, Your Memorialists respectfully pray that the congress of the United States take proper action necessary to implement the intent of the Maritime Act of 1936 so as to reestablish the United States as a leading maritime power among the nations of the world.

"'Passed the Senate April 3, 1967.
"'AL HENRY,
*"'President of the Senate.*

"'Passed the House April 7, 1967.
"'DON ELDRIDGE,
*"'Speaker of the House.'"*

A concurrent resolution of the General Assembly of the State of South Carolina; to the Committee on Foreign Relations:

"A CONCURRENT RESOLUTION EXPRESSING STRONG OPPOSITION TO THE PROPOSAL THAT THE UNITED STATES RELINQUISH ITS SOVEREIGNTY OVER THE CANAL ZONE AND THE PANAMA CANAL

"Whereas, the Executive Branch of the United States Government has publicly announced that it is in the process of negotiating a treaty or treaties with the Republic of Panama that could dilute the indispensable grant of sovereignty over the United States-owned Canal Zone territory acquired pursuant to law and purchase from individual property owners under the 1903 Treaty with Panama for the construction, operation, maintenance, sanitation, and protection of the Panama Canal; and

"Whereas, any such proposed treaty or treaties, if ratified by the United States Senate, could divest the United States of authority where there is grave responsibility and thereby render our government impotent to maintain and operate the Panama Canal in conformity with the provisions of the 1901 Hay-Pauncefote Treaty with Great Britain under which treaty the United States is obligated to maintain, operate and protect the Panama Canal on terms of equality for world shipping; and

"Whereas, the proposed new treaty or treaties, if approved, could effectively destroy all the indispensable rights heretofore exercised by the United States with respect to the Canal Zone and the Panama Canal; and

"Whereas, any withdrawal by the United States could make easier a takeover by communist authority and similar takeover of governments throughout Latin America, as in the case of Cuba, and imperil the security of the United States and the entire Western Hemisphere. Now, therefore,

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

"That the General Assembly opposes the relinquishing by the United States of its existing rights, powers and authority over the Canal Zone and Panama Canal.

"Be it further resolved that a copy of this resolution be forwarded to the President of the Senate in the Congress of the United States and the Speaker of the House of Representatives, and to each United States Senator from South Carolina in the Congress and each member of the House of Representatives in the Congress from South Carolina.

"State of South Carolina, in the House of Representatives, Columbia, South Carolina, April 12th, 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.

"INEZ WATSON,
*"Clerk of the House."*

A joint resolution of the Legislature of the State of Alabama; to the Committee on the Judiciary:

"RESOLUTION No. 11

"Whereas, The relationship that exists between the Federal Government and the government of the states is a matter of vital concern; and

"Whereas, The states play an indispensable role in our Federal system of government; and

"Whereas, Unless the trend toward restrictive categoric federal grants is reversed, these grants will so entwine themselves that a state's freedom of movement will be significantly inhibited; and

"Whereas, There is a need and a justification for broader unfettered grants that will give states and localities more freedom of choice, more opportunity to express their own initiative which reflects their particular needs and preferences, all within the overall

direction of national purpose; now, therefore, be it

"Resolved by the Senate of the State of Alabama, the House of Representatives concurring, That this Legislature respectfully petitions the Congress of the United States to call a convention for the purpose of proposing the following Article as an amendment to the Constitution of the United States.

"'ARTICLE—

"'Beginning with the first full fiscal year after ratification of this amendment by the requisite number of states, there shall be remitted to all of the states of these United States, an amount determined by the Secretary of the Treasury to be equal to not less than 5% of the aggregate total of individuals and corporate income taxes paid to the United States during the preceding calendar year. Such funds shall be remitted to the States without restriction and this remission of funds shall be in addition to any other federal grant programs which may be enacted by the Congress. Each state shall share in such remission in proportion as the population of such State bears to the total population of all of the States, according to the last preceding Federal census'; and, be it further

"Resolved, That if Congress shall have proposed an amendment to the Constitution identical with that contained in this resolution prior to July 1, 1969, this application for a convention shall no longer be of any force or effect; 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 and the Clerk of the House of Representatives of the United States and to each Member of Congress from this State.

"I hereby certify that the above is a true, correct and accurate copy of Senate Joint Resolution No. 11 by Mr. Cooper, adopted by the Legislature of Alabama on April 5, 1967.

"MCDOWELL LEE,
*"Secretary of Senate."*

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

"LEGISLATIVE RESOLUTION 26

"Whereas, while prices paid to ranchers for livestock have declined, retail prices charged for meat have increased; and

"Whereas, the United States Department of Agriculture Market News Summary of January 17, 1967, shows that the spread between wholesale and retail prices on beef has gone from $18.50 per one hundred pound carcass weight on November 6, 1965, to $20.42 on November 12, 1966; on lamb from $20.68 to $26.98; and on pork from $15.72 to $20.59; and

"Whereas, one independent survey indicates chain stores are now realizing gross profits in excess of $31.00 per hundred weight or more than $180.00 per 600 pound carcass; and

"Whereas, studies made in independent surveys conducted by men of experience in the production, finishing, processing, distribution, and marketing of beef suggest that chain stores may be making excessive profits from the sale of meats at retail while others in the meat business, including ranchers, farmers, feeders and packers, are suffering from depressed prices for their production in the face of increased costs of doing business; and

"Whereas, the number of independent retail outlets for meat has decreased drastically, so that chain stores are now marketing in excess of eighty per cent of the meat sold at retail level; and

"Whereas, prices charged by chain stores for meat are substantially the same in all such chain stores; and

"Whereas, the similarity of pricing and substantial monopoly of the retail sale of meat seems to result in excessive profits to chain food stores in the sale of meats at retail;

*"Now, therefore, be it resolved by the members of Nebraska Legislature in seventy-seventh session assembled:*

"1. That the Attorney General of the United States is hereby requested to conduct a study of the marketing of meat by chain food stores to determine whether or not there is collusion among the chain food stores in fixing prices, in establishing excessive markups in the retail prices of meat, in establishing a monopoly in the retail sale of meat, and of other practices which restrain trade in violation of the Sherman Anti-Trust Act.

"2. That copies of this resolution be forwarded to the Attorney General of the United States, to the President of the United States Senate and Speaker of the United States House of Representatives, and to each of the Senators and members of the House of Representatives from Nebraska in Congress.

"ELVIN ADAMSON,
*"Speaker and Acting President of the Legislature.*

"I, Hugo F. Srb, hereby certify that the foregoing is a true and correct copy of Legislative Resolution 26, which was passed by the Legislature of Nebraska in Seventy-seventh regular session on the sixth day of April, 1967.

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

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

"HOUSE MEMORIAL 1003

"Memorial memorializing the Congress of the United States to amend the Highway Beautification Act of 1965

"Whereas, The Highway Beautification Act of 1965 requires that states make provision for the effective control of outdoor advertising adjacent to the Interstate System and the primary system, and upon failure of any state to do so, after January 1, 1968, such state's federal-aid highway funds shall be reduced by an amount equal to ten per cent of that which otherwise would have been apportioned to such state; and

"Whereas, The Secretary of Commerce of the United States is given authority under said Act to promulgate national standards regarding the effective control of outdoor advertising; and

"Whereas, It is felt by many that agreement has not been reached upon workable standards for the implementation of said Act; and

"Whereas, The legislatures of several states find themselves nearing the end of their legislative sessions without having taken the action required under said Act, and there is little prospect that such legislatures will meet again until after January 1, 1968; and

"Whereas, Said Act, and the standards promulgated pursuant thereto, severely limit the possibility of state action in the field of regulation of outdoor advertising, and particularly burdensome to the states are the delay in formulating standards in commercial and industrial zones, and the prohibition in said Act against the use of the police power of the state to control outdoor advertising; and

"Whereas, Section 131(g) of said Act is particularly onerous to a state, where such state has available to it, under its police power, means to effect the removal of outdoor advertising devices; now, therefore,

*"Be It Resolved by the House of Representatives of the Forty-sixth General Assembly of the State of Colorado:*

"That this House of Representatives hereby memorializes the Congress of the United States to amend the "Highway Beautification Act of 1965", in general, and, in particular, section 131(g) of said Act, so as to provide more workable standards for the implementation of said Act, and, further, so as to provide a minimal invasion into the already dwindling police powers of the several states.

*"Be It Further Resolved,* That a copy of this Memorial be sent to each the President of the United States, the President of the Senate of the Congress of the United States, the Speaker of the House of Representatives of the Congress of the United States, the Secretary of Commerce of the United States, and the members of Congress from the State of Colorado.

"JOHN D. VANDERHOOF,
*"Speaker of the House of Representatives.*
"HENRY C. KIMBROUGH,
*"Chief Clerk of the House of Representatives."*

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

"SENATE JOINT RESOLUTION 20

"Joint resolution memorializing the Congress of the United States for the restoration of highway aids to Wisconsin

"Whereas, Wisconsin's highway accident death toll reached staggering proportions in 1967 while establishing a new all time high for highway deaths in a single year; and

"Whereas, the current limitation placed on the federal aid highway program, in recognition of the Vietnam effort and inflationary pressures, will reduce federal aid funds from 50 million to 25 million dollars and severely hinder the state's attempts to reduce the wholesale slaughter taking place on the highways in this state; and

"Whereas, the most critical highways in need of improvement in the state are USH 12, between Eau Claire and Tomah, a congested 35 year old two-lane highway which is carrying traffic in excess of 25,000 vehicles per day during peak periods which serving as a by-pass to the last unfinished portion of I 94; and the last unfinished portion of I 94 extending from the Tomah bypass to the bypass located in the northern part of the city of La Crosse; and the easterly approach to the central exchange located in the heart of the downtown area in the city of Milwaukee which involves I 94, I 794 and USH 141; and

"Whereas, these critical areas were considered to be so urgently needed by this state that the legislature during the 1965 session authorized the first state bonding program for highways in the state's history and increased the motor fuel tax to accelerate the construction of state highways having a high traffic demand; and

"Whereas, Wisconsin falls abnormally far below its neighboring states in the allocation of interstate highway mileage and has compensated for this deficiency by constructing routes which serve a similar function; and

"Whereas, the financing controls established by the federal government has placed the completion of such construction projects in jeopardy and many millions of public funds already invested in highway projects will not be fully utilized until such completion; and

"Whereas, the current financing controls appear to counteract the federal government's program on highway safety; now, therefore, be it

"Resolved by the senate, the assembly concurring, That the legislature of the state of Wisconsin respectfully memorializes the Congress of the United States to grant relief from the general cut back in federal highway aid because of the severity of the results to highway users of this state; to grant permission to utilize ACI financing in Wisconsin to complete the interstate system; or to grant permission to accelerate interstate construction with state bond funds as passed by the 1965 legislature; and, be it further

"Resolved, That properly attested copies of this resolution be sent to the President of the United States, to the secretary of the United States Senate and the chief clerk of

the House of Representatives and to each member of the Congress from Wisconsin.

"WILLIAM P. NUGENT,
*"Senate Chief Clerk.*
"HAROLD V. FROEHLICH,
*"Speaker of the Assembly."*

A joint resolution of the Legislature of the State of Nevada; to the Committee on Rules and Administration:

"ASSEMBLY JOINT RESOLUTION 4

"Assembly joint resolution memorializing the Congress of the United States to enact legislation that would provide that voting polls close simultaneously across the nation

"WHEREAS, It is an inherent requirement for the preservation of our form of government that all citizens be permitted to make conscientious evaluations of issues and candidates during election campaigns and to vote accordingly; and

"WHEREAS, Anything that tends unduly to influence a person in the exercise of his right to vote is contrary to the best interests of the several states of the Union; and

"WHEREAS, Because of the difference in time zones across the United States of America, polls in the western part of the nation remain open for several hours after polls are closed in the East; and

"WHEREAS, Nationwide television and radio broadcasts reporting election results in the East and predicting nationwide trends before the polls have closed in the West tend to influence voting in the West; now, therefore, be it

*"Resolved by the Assembly and Senate of the State of Nevada, jointly,* That the Congress of the United States is hereby memorialized to enact legislation providing for a plan of time zone voting wherein the polls are required to close simultaneously throughout the United States of America; and be it further

*"Resolved,* That certified copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the Speaker of the House of Representatives, and the President of the Senate of the United States of America, and to United States Senators Alan Bible and Howard Cannon and to Representative in Congress Walter S. Baring.

A petition of the 29th Legislative District Club, of the State of Washington, praying for the enactment of legislation authorizing Federal payments to the totally disabled in certain cases; to the Committee on Finance.

A resolution adopted by the members of Lodge No. 1326, International Association of Machinists and Aerospace Workers, Grafton, Wis., remonstrating against the enactment of legislation to levy additional taxes; to the Committee on Finance.

A letter, in the nature of a petition, signed by the president, Colonial Williamsburg, Williamsburg, Va., praying for the enactment of legislation relating to the commemoration of the 200th anniversary of the American Revolution; to the Committee on the Judiciary.

A resolution adopted by the board of governors, Greater Tampa Chamber of Commerce, Tampa, Fla., praying for the enactment of legislation relating to congressional ethics; to the Select Committee on Standards and Conduct.

## RESOLUTION SUPPORTING TAX SHARING IN FEDERAL-STATE RELATIONS

Mr. MILLER. Mr. President, I have received a House concurrent resolution from the Iowa House of Representatives in support of the tax-sharing approach in Federal-State relations, and I ask unanimous consent to have it printed in the RECORD and appropriately referred.

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

The concurrent resolution was referred to the Committee on Finance, as follows:

HOUSE CONCURRENT RESOLUTION 3

Whereas, the mobility of individuals and the free flow of commerce have placed unforeseen demands upon state and local governments in our federal system; and

Whereas, the vigor and responsiveness of state and local governments are essential elements of our governmental system; and

Whereas, existing categorical federal aid programs in many instances impede state and local governments from meeting priority public needs in a manner effectively suited to the varying problems and needs of individual state and local governments; and

Whereas, the principle of tax sharing would allow state and local governments more adequate revenue sources, now therefore,

Be it resolved by the House of the 62nd General Assembly of the State of Iowa, the Senate concurring:

That the Legislature of the state of Iowa urge that the federal government adopt new federal intergovernmental fiscal policies which reflect a basic change in emphasis, giving more discretion and responsibility to state and local governments and moving away from the over-reliance on national controls under the very large number of existing categorical federal grant-in-aid programs; and

Be it further resolved that the Legislature of the state of Iowa specifically endorses the principle of tax sharing and the principle of block grants, consolidating existing federal categorical grants-in-aid, to partially or wholly offset federal categorical grant-in-aid programs which now exist or may be developed in the future.

Be it further resolved that a copy of this Resolution be forwarded to each of the members of the Iowa delegation in Congress.

We, Maurice E. Baringer, Speaker of the House of Iowa, and William R. Kendrick, Chief Clerk of the House, hereby certify that the above and foregoing Resolution was adopted by the House of the Sixty-second General Assembly.

MAURICE E. BARINGER,
*Speaker of the House.*
WILLIAM R. KENDRICK,
*Chief Clerk of the House.*

## REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. PASTORE, from the Committee on Commerce, without amendment:

S. 375. A bill to amend the Communications Act of 1934 with respect to obscene or harassing telephone calls in interstate or foreign commerce (Rept. No. 189).

## BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. TALMADGE:

S. 1576. A bill to amend title II of the Social Security Act to permit justices of the peace and constables who receive compensation on a fee basis to elect to have such compensation covered by social security, as self-employment income, if such compensation is not otherwise covered by social security; to the Committee on Finance.

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

By Mr. FULBRIGHT (by request):

S. 1577. A bill to complement the Vienna Convention on Diplomatic Relations; and

S. 1578. A bill to authorize the appropriation for the contribution by the United States for the support of the International Union for the Publication of Customs Tariffs; to the Committee on Foreign Relations.

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

By Mr. HARRIS (for himself and Mr. MONRONEY):

S. 1579. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Ottawa Tribe of Oklahoma in docket numbered 303 of the Indian Claims Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. COOPER:

S. 1580. A bill for the relief of John W. Rogers; to the Committee on the Judiciary.

By Mr. CANNON:

S. 1581. A bill to amend the Federal Voting Assistance Act of 1955 (69 Stat. 584); to the Committee on Rules and Administration.

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

By Mr. MUSKIE (for himself, Mr. HART, Mr. MCCARTHY, and Mr. YARBOROUGH):

S. 1582. A bill to foster high standards of architectural excellence in the design and decoration of Federal public buildings and post offices outside the District of Columbia, and to provide a program for the acquisition and preservation of works of art for such buildings, and for other purposes, to be known as the Federal Fine Arts and Architecture Act; to the Committee on Public Works.

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

By Mr. HOLLINGS:

S. 1583. A bill to prohibit desecration of the flag; to the Committee on the Judiciary.

By Mr. MILLER:

S. 1584. A bill to create a commission to be known as the Commission for Elimination of Pornographic Materials; to the Committee on Government Operations.

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

By Mr. MAGNUSON (for himself, Mr. JAVITS, Mr. PASTORE, Mr. HOLLINGS, Mr. RIBICOFF, Mr. HART, Mr. KENNEDY of Massachusetts, and Mr. MUSKIE):

S. 1585. A bill to provide the Coast Guard with authority to conduct research and development for the purpose of dealing with the release of harmful fluids carried in vessels; to the Committee on Commerce.

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

By Mr. MAGNUSON (for himself, Mr. COTTON, Mr. JAVITS, Mr. PASTORE, Mr. RIBICOFF, Mr. KENNEDY of Massachusetts, Mr. HART, Mr. HOLLINGS, Mr. MUSKIE, Mr. BARTLETT, Mr. BREWSTER, Mr. PELL, and Mr. TYDINGS):

S. 1586. A bill to give the President authority to alleviate or to remove the threat to navigation, safety, marine resources, or the coastal economy posed by certain releases of fluids or other substances carried in oceangoing vessels, and for other purposes; to the Committee on Commerce.

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

By Mr. HRUSKA:

S. 1587. A bill to provide for the issuance of a special series of postage stamps in commemoration of the 50th anniversary of the

independence of Czechoslovakia; to the Committee on Post Office and Civil Service.

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

By Mr. HATFIELD:

S.J. Res. 75. Joint resolution to authorize and direct the Secretary of the Interior to conduct a survey of the coastal and freshwater commercial fishery resources of the United States, its territories, and possessions; to the Committee on Commerce.

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

By Mr. HARRIS (for himself and Mr. ERVIN):

S.J. Res. 76. Joint resolution to authorize the President to issue a proclamation designating the 30th day of September in 1967 as "Bible Translation Day"; to the Committee on the Judiciary.

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

## CONCURRENT RESOLUTION

### GEOGRAPHIC DISPERSION OF FEDERAL FUNDS AND ACTIVITIES

Mr. PEARSON submitted a concurrent resolution (S. Con. Res. 22) to express the sense of Congress on equitable geographic distribution of research and development grants, which was referred to the Committee on Labor and Public Welfare.

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

### PROVISION OF SOCIAL SECURITY COVERAGE FOR JUSTICES OF THE PEACE AND CONSTABLES

Mr. TALMADGE. Mr. President, I introduce, for appropriate reference, a bill to provide much needed social security coverage for justices of the peace and constables. This measure is voluntary, and would allow these public employees to come under the social security program as self-employed persons if they elect to do so.

Perhaps no greater problem faces older citizens approaching retirement age than the adequacy of their retirement income. Far too many of our citizens cannot answer how they are to supply their everyday needs when their income is sharply cut because of retirement.

Fortunately, a great majority of retired workers, as well as those presently retiring, have protection against loss of their income because of retirement. Mainly, this protection is provided to them under the social security program. Under the present social security system, protection is afforded to 86 million current workers and their families by providing income, disability, and survivor benefits.

Thus, 92 out of 100 people now have retirement income protection; 87 out of every 100 persons under age 65 have disability protection; and 95 out of 100 children and their mothers have benefits available in the event of untimely death of the husband.

In order to see that our State and local governmental employees were also afforded the benefits of this protection, Congress in 1950 extended social security to State and local employees who did not have the benefit of a State retirement program. Subsequently, State and local employees who were covered under a State retirement program were also permitted the additional protection of social security. All 50 States have entered into agreements with the Federal Government to insure that their workers will have adequate retirement protection. Nearly 6 million State employees now have the benefit of social security protection.

However, more than 2 million State and local government employees are still without this benefit, and together with their wives and children are denied this necessary and essential security.

Justices of the peace and constables fall into this category. Apparently States have felt that in view of the type of income that they receive, that is pay on a fee basis, should not be included in the State's agreement with social security. Some States have permitted persons serving as justices of the peace and constables to come under their social security agreement, but many other States have not afforded this privilege to these public servants. Thus, for the most part, justices of the peace and constables are left in most instances with no retirement program for their work.

To fill this gap and provide to these fine public servants an opportunity to have retirement income and survivor protection for themselves and their wives and children in the event of death, I am introducing legislation which will permit them to voluntarily come under the social security program.

Under my bill, persons presently serving as justices of the peace and constables, who receive their salaries solely from the collection of fees, and who are not presently covered under a Federal-State social security agreement, would be able to freely elect coverage under social security as self-employed persons. They would have 2 years from the date of enactment of the bill in which to exercise the right to be covered. Persons who become justices of the peace and constables in the future would also be given a 2-year period to provide themselves with this coverage.

Of course, it is understood that as self-employed persons, justices of the peace and constables would be obligated to pay the full amount required in order to obtain coverage under social security, which is presently one and one-half times the amount an employee pays as a worker. In addition, he must receive at least $400 income from fees.

In coming under social security protection they would also be allowed to participate in the medicare program. Obviously, social security coupled with this necessary hospital expense protection would go a long way in relieving the almost impossible burden that is placed upon them as they grow older and become less able to cope with the demands on their income and physical well-being.

There is certainly nothing new in providing an opportunity to a particular segment of our workers to elect coverage as self-employed persons. In 1954, Congress chose this particular method in affording social security protection to ministers. Clergymen who have taken the opportunity and elected coverage are now protected against loss of earnings because of retirement, disability, and death. Also, they have the further built-in protection of the recent medicare program against staggering and ever-increasing hospital and medical costs. Many of those who did not elect are constantly requesting another chance to do so.

I am hopeful that consideration will be given to this measure and it is my intention that this extension of coverage to these public servants will be considered in connection with the administration's bill when we have occasion to take up this measure after the House has completed its work.

I ask that the bill be inserted 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. 1576) to amend title II of the Social Security Act to permit justices of the peace and constables who receive compensation on a fee basis to elect to have such compensation covered by social security, as self-employment income, if such compensation is not otherwise covered by social security, introduced by Mr. TALMADGE, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 1576

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 211(c) of the Social Security Act is amended by adding at the end thereof the following new sentence: "The provisions of paragraph (1) shall not apply to functions performed by an individual during the period for which there is in effect a certificate filed by him under section 1402(1) of the Internal Revenue Code of 1954, if such functions are performed as a justice of the peace or constable and if all the compensation paid to such individual for the performance of such functions is paid on a fee basis."

SEC. 2. (a) Section 1402(c) of the Internal Revenue Code of 1954 (relating to definition of trade or business) is amended by adding at the end thereof the following new sentence: "The provisions of paragraph (1) shall not apply to functions performed by an individual during the period for which there is in effect a certificate filed by him under section 1402(1), if such functions are performed as a justice of the peace or constable and if all the compensation paid to such individual for the performance of such functions is paid on a fee basis."

(b) Section 1402 of such Code is amended by adding at the end thereof the following new subsection:

"(1) JUSTICES OF THE PEACE, AND CONSTABLES.—

"(1) WAIVER CERTIFICATE.—Any individual who is a justice of the peace or constable and who is compensated as such solely on a fee basis may file a certificate (in such form and manner, and with such official, as may be prescribed by regulations made under this chapter) certifying that he elects to have the insurance system established by title II of the Social Security Act extended to functions performed by him as a justice of the peace or constable and for which he is compensated solely on a fee basis.

"(2) TIME FOR FILING CERTIFICATE.—Any individual who desires to file a certificate pur-

suant to paragraph (1) must file such certificate on or before the due date of the return (including any extension thereof) for his second taxable year ending after 1967 for which he has net earnings from self-employment (computed without regard to subsection (c)(1), insofar as such subsection applies to the performance of the functions of a justice of the peace or constable) of $400 or more, any part of which was derived from fees for the performance of such functions.

"(3) EFFECTIVE DATE OF CERTIFICATE.—A certificate filed pursuant to this subsection shall be effective for the taxable year immediately preceding the earliest taxable year for which, at the time the certificate is filed, the period for filing a return (including any extension thereof) has not expired, and for all succeeding taxable years; except that no such certificate shall be effective with respect to any month (or part thereof) with respect to which the services, as a justice of the peace or constable, of the individual filing such certificate, are covered under an agreement under section 218 of the Social Security Act entered into by the State in which such individual performs such services. An election made pursuant to this subsection shall be irrevocable."

## A BILL TO COMPLEMENT THE VIENNA CONVENTION ON DIPLOMATIC RELATIONS

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to complement the Vienna Convention on Diplomatic Relations to be known as the "Diplomatic Relations Act of 1967."

The proposed bill has been requested by the Secretary of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the Secretary of State to the Vice President dated April 6, 1967, in regard to it, and the sectional analysis of the bill.

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

The bill (S. 1577) to complement the Vienna Convention on Diplomatic Relations, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

S. 1577

*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 "Diplomatic Relations Act of 1967".

STATEMENT OF PURPOSE

SEC. 2. The purpose of this Act is to promote the conduct of the foreign relations of the United States by specifying the privileges and immunities to which foreign diplomatic missions and the personnel thereof are entitled and by authorizing the President to regulate, consistent with treaties and other international agreements of the United States, customary international law and practice, and this Act, the granting of such privileges and immunities.

DEFINITIONS

SEC. 3. As used in this Act, the phrase "foreign diplomatic mission and the personnel thereof" includes—

(a) any permanent or special diplomatic mission of a sending state accredited to the United States, including special envoys, and the members of the staff of the mission, the members of the families of such members of the staff, the private servants of the members of the mission, and diplomatic couriers.

(b) the head of a foreign state or the head of the government of a foreign state, and, when they are on an official visit to or in transit through the United States the foreign minister of a foreign government, and those members of the official party accompanying such officials.

AUTHORITY OF THE PRESIDENT

SEC. 4. (a) The President is authorized, under such terms and conditions as he may from time to time determine—

(1) to apply the treatment prescribed by the Vienna Convention on Diplomatic Relations, or any part or parts thereof, to those foreign diplomatic missions and the personnel thereof not otherwise entitled to such treatment;

(2) to extend more favorable treatment than is provided in the Vienna Convention on Diplomatic Relations to foreign diplomatic missions and the personnel thereof with respect to—

(A) exemption from Federal taxes; and

(B) immunity from civil and criminal jurisdiction of the United States or of any State, territory, or possession thereof for those persons defined in the Vienna Convention on Diplomatic Relations as the members of the administrative and technical staff and the service staff of the mission;

(b) The determination of the President as to the entitlement of a foreign diplomatic mission and the personnel thereof to diplomatic privileges and immunities under the Vienna Convention on Diplomatic Relations or under this Act, shall be conclusive and binding on all Federal, State, and local authorities.

(c) The President shall from time to time publish in the Federal Register of the United States a list of the permanent foreign diplomatic missions and the personnel thereof entitled to diplomatic privileges and immunities pursuant to the Vienna Convention on Diplomatic Relations or this Act.

JUDICIAL MATTERS

SEC. 5. (a) Whenever any writ or process is sued out or prosecuted in any court, quasi-judicial body, or administrative tribunal of the United States, or of any State, territory, or possession thereof, against a person or the property of any person entitled to immunity from such suit or process under the Vienna Convention on Diplomatic Relations or pursuant to this Act, such writ or process shall be deemed void.

(b) Whoever knowingly obtains, prosecutes, or assists in the execution of such writ or process shall be fined not more than $5,000 or imprisoned not more than one year, or both: *Provided,* That this paragraph shall not apply unless the name of the person against whom the writ or process is issued has, before the issuance of such writ or process, been published in the Federal Register.

EXERCISE OF FUNCTIONS

SEC. 6. The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions to any of his subordinates.

EFFECTIVE DATE AND REPEALS

SEC. 7. (a) This Act shall be effective upon the entry into force of the Vienna Convention on Diplomatic Relations with respect to the United States.

(b) Section 4063, 4064, 4065, and 4066 of the Revised Statutes (22 U.S.C. 252–254) are repealed upon the effective date of this Act.

(c) The repeal of the several statutes or parts of statutes accomplished by this Act shall not affect any act done or right accruing or accrued, or any suit or proceeding had or commenced in any civil cause before such repeal, but all rights and liabilities under the statutes or parts thereof so repealed shall continue, and may be enforced in the same manner as if such repeal had not been made, subject only to the applicable immunities heretofore flowing from customary international law and practice.

The letter and sectional analysis, presented by Mr. FULBRIGHT, are as follows:

APRIL 6, 1967.

HON. HUBERT H. HUMPHREY,
*President of the Senate.*

DEAR MR. VICE PRESIDENT: The Department of State encloses a draft bill entitled "Diplomatic Relations Act of 1967." The draft bill has been prepared to complement the Vienna Convention on Diplomatic Relations, signed April 18, 1961, which received the advice and consent of the Senate to ratification on September 14, 1965 (Sen. Exec. H., 88th Cong., and Sen. Exec. Report No. 6, 89th Cong.), and which is presently in force between fifty-seven countries A sectional analysis of the draft bill and a copy of the Convention are also enclosed.

The Vienna Convention on Diplomatic Relations was prepared under United Nations auspices and is a codification of the rights, privileges and immunities of all members of permanent diplomatic missions and of their families and private servants, and of the rights and obligations of the state on whose territory they perform their functions. For the most part, the Convention is a restatement of principles so universally observed by governments in their practice that they had come to constitute international law. In areas where practice was not uniform, or where it appeared that existing practice should be changed, the Convention establishes new rules. For example, the Convention provides that members of the administrative and technical staff of the mission and their families who are not nationals or residents of the receiving state will have complete immunity from criminal jurisdiction, that said members will have immunity from civil jurisdiction only with respect to official acts, and that diplomatic agents and their families will no longer enjoy immunity from civil jurisdiction with respect to certain private matters. In the Department's opinion, these new rules are desirable in the light of present conditions.

The present statutory basis for diplomatic immunity in the United States is contained in Sections 4063–4066 of the Revised Statutes (22 U.S.C. 252–254), which are derived from an Act of Congress approved April 30, 1790 (1 Stat. 117). Section 252, which provides that any writ or process whereby the person of any ambassador or public minister, or any domestic or domestic servant of any such minister, is arrested or imprisoned, or his goods or chattels are distrained, seized or attached, shall be deemed void, has been held to be declaratory of the law of nations. Sections 253 and 254 provide penalties for acts in violation of Section 252, with certain exceptions relating to citizens and inhabitants of the United States, and domestic servants.

Sections 4063–4066 of the Revised Stat-

utes have been interpreted as according complete immunity from both criminal and civil jurisdiction to diplomatic agents and their families and to members of the administrative and technical staff, and as not according any immunity to the families of the latter category of mission members. For this reason the draft bill provides for the repeal of these Sections, and the substitution therefor of provisions of law which can be applied in a manner consistent with the Convention.

The Vienna Convention conforms substantially to the views of the Department of State as to the standard of treatment which a receiving state is or should be required by international law and practice, as a minimum, to accord to diplomatic missions and the personnel thereof. The Convention is self-implementing with respect to diplomatic missions and the personnel thereof of states parties to the Convention. Legislation is necessary, however, in order to permit the United States to accord this standard of treatment to missions and personnel of states not party to the Convention. In order to assure that American diplomatic personnel in the territory of a state not party to the Convention will enjoy comparable privileges and immunities, the draft bill accordingly grants the President discretion to determine which categories of such state's personnel in the United States will be entitled to specific privileges and immunities.

In two particulars, the proposed legislation will assist the Department of State in adequately meeting the needs of American diplomatic missions and their personnel. In the Department's opinion, all members of a diplomatic mission, regardless of nationality or residence, should have immunity from jurisdiction with respect to official acts, and all members of the administrative and technical staff, other than nationals or permanent residents of the receiving state, should enjoy customs privileges throughout their sojourn. The draft bill therefore authorizes the President to accord, under such terms and conditions as he may determine, to the personnel of certain diplomatic missions exemption from certain Federal taxes and greater immunity from jurisdiction than is required by the Convention. In the administration of this provision, consideration will be given to reciprocity or other appropriate *quid pro quo*.

The Vienna Convention on Diplomatic Relations deals only with permanent diplomatic missions and the personnel thereof, and has no application to foreign heads of state and heads of government and foreign ministers. Such privileges and immunities as have been accorded these three classes of high officials on an *ad hoc* basis rest generally on the law of nations and custom and comity and, when applicable, on the doctrine of sovereign immunity. While no serious questions have thus far arisen with respect to the status of these persons, the Department of State is of the opinion that the matter should be clarified by statute. There can be no doubt that heads of state and heads of government are entitled to no less consideration than an ambassador or minister who is the personal representative of the head of state, and who receives his instructions from his head of government and his foreign minister. Accordingly, the draft bill provides that for the purpose of the bill the phrase "foreign diplomatic mission and the personnel thereof" includes foreign heads of state and heads of government, and, when they are on an official visit to the United States, foreign ministers, and members of the official parties accompanying such persons.

In summary therefore, the draft bill has several purposes: (1) to provide statutory authority for according the privileges and immunities specified in the Vienna Convention on Diplomatic Relations to diplomatic missions and the personnel thereof of states not parties to the Vienna Convention; (2) to authorize according more favorable treatment to foreign diplomatic missions in the United States and their personnel; (3) to clarify the status in the United States of foreign heads of state and heads of government and special envoys, and to specify the privileges and immunities to which they and members of their official parties shall be entitled during their sojourn; and (4) to repeal Revised Statutes 4063–4066, Sections 252–254 of Title 22 of the United States Code.

The Department of State has been informed by the Bureau of the Budget that there is no objection from the standpoint of the Administration's program to the submission of this proposal to the Congress for its consideration.

A letter similar in content is being sent to the Speaker of the House of Representatives.

Sincerely yours,

DEAN RUSK.

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SECTIONAL ANALYSIS

*Section 1. Title:* This may be cited as the "Diplomatic Relations Act of 1967".

*Section 2. Statement of Purpose*: This states the purpose of the bill, which is to promote the conduct of the foreign relations of the United States by specifying the privileges and immunities to which foreign diplomatic missions and the personnel thereof may be accorded, and by authorizing the President to regulate, consistent with treaties and other international agreements, customary international law and practice, and this proposed legislation, the granting of such privileges and immunities.

*Section 3. Definitions*: This defines the phrase "foreign diplomatic mission and the personnel thereof" as including not only members of permanent diplomatic missions, their families, and their private servants, but also heads of foreign states and heads of foreign governments, whether in the United States for official or personal reasons, foreign ministers when on an official visit to or in transit through the United States, and persons on special diplomatic mission to the United States, together with the members of the official parties accompanying all such persons. The definition also includes diplomatic couriers. This broad definition is desirable for several reasons. The Vienna Convention on Diplomatic Relations has reference only to permanent diplomatic missions, and, in limited respects, to diplomatic couriers. The repeal of Sections 4063–4066 of the Revised Statutes (22 USC 252–254) will remove from the books the present statutory basis for according diplomatic immunity to persons on special diplomatic mission. The privileges and immunities whch are everywhere accorded to visiting heads of state and heads of government should have some basis in the statutory law of the United States.

*Section 4. Authority of the President*: Paragraph (a) of this Section authorizes the President, under such terms and conditions as he may from time to time determine:

(1) to apply the treatment prescribed by the Vienna Convention on Diplomatic Relations, or any part or parts thereof, to those foreign diplomatic missions and the personnel thereof not otherwise entitled to such treatment. The Articles of the Vienna Convention which are particularly relevant to this provision are those which define the categories of mission personnel and specify the privileges and immunities to be enjoyed by persons in each category. These are Articles 1, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, and 47.

(2) to extend more favorable treatment than is required by the Vienna Convention on Diplomatic Relations to foreign diplomatic missions and the personnel thereof with respect to (a) exemption from Federal taxes; and (b) immunity from criminal and civil jurisdiction for members of the administrative and technical staff and the service staff of the mission. The taxes to which Section 4 applies will be those imposed by or pursuant to Acts of Congress. This provision will enable the United States to continue to accord in return for an appropriate *quid pro quo* by the sending state, (1) the exemption from Federal taxes presently enjoyed by duly accredited diplomatic officers and members of the administrative and technical staff who are nationals of the appointing state, (2) complete immunity from criminal jurisdiction to members of the service staff who are not nationals or residents of the United States, and (3) immunity from civil and criminal jurisdiction in respect of official acts to members of the administrative and technical staff who are nationals or residents of the United States.

The draft bill does not contain specific authorization to accord to members of the administrative and technical staff exemption from customs duties and internal revenue taxes imposed upon or by reason of importation because statutory authority now exists to accord such exemptions on the basis of reciprocity (Tariff Schedules of the United States, 19 USC foll. 1202, Schedule 8, Part 2, headnote 1, Subpart C, headnote 4, and Item 822.30.) In the case of many countries, Section 4(a)(2) of the draft bill, if enacted, and the pertinent portions of the Tariff Schedules would merely authorize the continuance of long-existing arrangements where by custom or agreement subordinate personnel at American diplomatic missions are accorded more favorable treatment than is required by the Vienna Convention.

Paragraph (b) of Section 4 reaffirms the primacy of the Executive Branch's determination with respect to entitlement of a particular foreign diplomatic officer or employee to immunity from civil or criminal jurisdiction; the making of such a determination would presumably be delegated to the Department of State pursuant to Section 6, and the certificate of the Secretary of State or his designee would be transmitted by the Attorney General to the appropriate court.

Paragraph (c) of Section 4 adopts the notice feature of 22 USC 254, with these changes: the names of all persons entitled to immunity pursuant to the Vienna Convention or the draft bill will be made of public record, instead of just those persons presently listed in the so-called "White List"; the names of entitled persons will be published in the "Federal Register" rather than posted in the office of the Marshal for the District of Columbia; and the variable treatment of foreign diplomatic missions and their personnel authorized in Section 4(a) will be made a matter of public record for the application of applicable laws and regulations, and for immunity purposes.

*Section 5. Judicial Matters:* Paragraph (a) provides that any writ or process sued out or prosecuted against a person or the property of any person entitled to immunity from such process shall be deemed void. Paragraph (b) provides that any person who knowingly obtains, sues out, prosecutes, or assists in the execution of such writ or process may be fined or imprisoned, or both. Similar provisions are contained in 22 USC 252–254.

*Section 6. Exercise of Functions:* This is a standard delegation of authority provision.

*Section 7. Effective Date and Repeals:* Paragraph (a) provides that the "Diplomatic Relations Act of 1967" will be effective upon entry into force of the Vienna Convention on Diplomatic Relations with respect to the United States. Paragraph (b) provides for the repeal of Sections 4063, 4064, 4065, and 4066 of the Revised Statutes (22 USC 252–254), upon the effective date of the abovementioned Act. Paragraph (c) is a clause regarding legal acts done or rights accrued, or proceedings commenced in any civil cause

before the repeal of the several statutes referred to in paragraph (b) above.

## A BILL TO AUTHORIZE AN APPROPRIATION FOR THE SUPPORT OF THE INTERNATIONAL UNION FOR THE PUBLICATION OF CUSTOMS TARIFFS

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize an increase in the annual appropriation for the support of the International Union for the Publication of Customs Tariffs and the Bureau established to carry out its functions.

The proposed bill has been requested by the Under Secretary of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the Under Secretary of State to the Vice President dated April 12, 1967, in regard to it.

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. 1578) to authorize the appropriation for the contribution by the United States for the support of the International Union for the Publication of Customs Tariffs, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

S. 1578

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That there is hereby authorized to be appropriated to the Department of State such sums as may be necessary, including contributions pursuant to the convention of July 5, 1890, as amended, for the payment by the United States of its share of the expenses of the International Union for the Publication of Customs Tariffs and of the Bureau established to carry out the functions of the Union.

The letter, presented by Mr. FULBRIGHT, is as follows:

APRIL 12, 1967.

The VICE PRESIDENT,
*U.S. Senate.*

DEAR MR. VICE PRESIDENT: There is enclosed for the consideration of the Congress a draft bill which would authorize an increase in the annual appropriation for the support of the International Union for the Publications of Customs Tariffs and the Bureau established to carry out its functions.

The United States has, since 1891, been a member of this Union, established at Brussels by a multilateral convention of 1890 (26 Stat. 1518, see also 8 UST (pt. 2) 1671). The only function of the Union and the Bureau is the useful one of translating, publishing, and distributing the tariff laws and regulations of the various countries and other customs territories throughout the world (art. 2, 26 Stat. 1519). The convention and supplementary documents (regulations and final declarations) provide that contributions shall be paid by the member countries to defray the cost of the Bureau's operation. Because the small budget provided for in the convention proved to be grossly inadequate, steps were taken in 1949 for its increase. As a result of such action the United States now contributes $8,658 annually, the authorization for the appropriation of which is the original convention as modified.

In 1963 the President of the Bureau, in his annual report, pointed out that the "growing complexity and number of Customs tariffs throughout the world", and the growing demand from both public and private sources for its publications containing their texts, justified an increase in the Bureau staff beyond that which could be financed under the existing arrangements.

The Bureau, through the Belgian Government, has requested the member countries, including the United States to double the contributions they make for the work of the Bureau. Forty-nine of the seventy-three member countries, including Canada, France, and the United Kingdom and accounting for well over 70% of the contributions according to the prevailing proportional schedule, have already agreed to double their contributions.

The enclosed draft bill would provide an authorization, to permit the United States currently to pay an additional $8,658, in a somewhat broader manner than the draft transmitted to you for the same purpose by my letter of August 30, 1966 (S. 3827, 89th Cong. 2d sess., on which no action was taken by the 89th Congress). While the earlier bill would merely have authorized an increase of $8,658 in the appropriation in addition to the $8,658 now authorized by the convention establishing the Union and the Bureau, the enclosed draft bill is designed to constitute a single authorization for the entire appropriation for the work of the Bureau. Moreover, in view of the need, twice within the past twenty years, for increases in the modest budget of the Union, this draft would in general language authorize such sums as may be necessary for payment of the United States annual share.

The immediate United States contribution of $17,316 under the bill would be less than 6% of the total contributions to the Union.

The various Executive agencies that have responsibilities relating to foreign trade, especially the Department of Commerce, find the publications for foreign tariffs (particularly the English translations) of great value in handling questions raised by exporters and in preparing for negotiations for the reduction of tariff barriers to United States exports. The Bureau has translated the new Tariff Schedules of the United States into the four languages which it uses in addition to English—French, German, Italian and Spanish.

It is recommended that the Congress promptly enact legislation along the lines of the enclosed draft bill to authorize a modest increase in the United States contribution in order to assist the Union and the Bureau in the continuation of their most useful activity.

The Bureau of the Budget advises that there would be no objection from the standpoint of the Administration program to the enactment of this legislation.

Sincerely yours,

NICHOLAS DEB. KATZENBACH.

## DISPOSITION OF FUNDS APPROPRIATED FOR OTTAWA TRIBE OF OKLAHOMA

Mr. HARRIS. Mr. President, on behalf of myself, and my colleague, the senior Senator from Oklahoma [Mr. MONRONEY], I introduce, for appropriate reference, a bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Ottawa Tribe of Oklahoma in docket No. 303 of the Indian Claims Commission, and for other purposes.

I ask unanimous consent to have printed in the RECORD a letter from Assistant Secretary of the Interior, Harry R. Anderson, describing the bill, and a document showing the present distribution of the funds.

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

The bill (S. 1579) to provide for the disposition of funds appropriated to pay a judgment in favor of the Ottawa Tribe of Oklahoma in docket No. 303 of the Indian Claims Commission, and for other purposes, introduced by Mr. HARRIS (for himself and Mr. MONRONEY), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The letter and document, presented by Mr. HARRIS, are as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
*Washington, D.C., April 12, 1966.*

Hon. HUBERT H. HUMPHREY,
*President of the Senate,*
*Washington, D.C.*

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill "To provide for the disposition of funds appropriated to pay a judgment in favor of the Ottawa Tribe of Oklahoma in docket No. 303 of the Indian Claims Commission, and for other purposes."

We recommend that the bill be referred to the appropriate committee for consideration and that it be enacted.

On February 11, 1965, the Indian Claims Commission issued an Amended Final Award granting the Ottawa Tribe $368,039.55, with interest at 4 percent per annum from March 22, 1934, on $30,603.94 of unaccounted trust land funds. The initial sum of $30,603.94 together with the interest thereon to March 22, 1934, has already been incorporated in the final award. The recovery represents additional payment for Ottawa lands in Kansas ceded under the treaties of June 24, 1862 (12 Stat. 1237), and February 23, 1867 (15 Stat. 513, 517), and for other items such as unaccounted treaty funds and expenses of a commission established to mediate a settlement between the United States and the Ottawa Tribe for unsold lands and assets arising from the sale of school lands. These funds were appropriated by the Act of April 30, 1965 (79 Stat. 81), and are on deposit in the United States Treasury drawing interest at 4 percent per annum.

At the time of first European contact the Ottawas were located on Manitoulin Island and along the shores of Georgian Bay in what is now southern Ontario. In the late 1640's, however, the Iroquois pushed them into the area around Green Bay, Wisconsin. Subsequently, segments of the tribe returned to their earlier home while others settled along the eastern shore of Lake Michigan, some moving as far west as southern Wisconsin and northeastern Illinois, and along the southern shore of Lake Erie into Ohio and parts of Pennsylvania. In 1831 three bands of Ottawas in Ohio, Blanchard's Fork, Oquanoxa's Village and Roche de Boeuf, ceded their lands to the United States and were granted a reservation in what is now the State of Kansas. They arrived there in 1836 but later, under pressure for the opening and sale of Indian lands, the Ottawas of Kansas, now also known as the Ottawas of Blanchard's Fork and Roche de Boeuf, concluded the 1862

and 1867 treaties whereby they sold their lands in Kansas and purchased a tract in what is now Oklahoma.

The Indian Claims Commission has stated that the Ottawa Tribe of Oklahoma comprises and represents those bands of Ottawa Indians parties to the above-mentioned treaties. Although Federal supervision over the Oklahoma Ottawas was terminated pursuant to the Act of August 3, 1956 (70 Stat. 963), to be effective three years later, the termination Act provided that nothing in it would affect claims previously filed against the United States. The Ottawa Tribe of Oklahoma had been organized under the provisions of the Oklahoma Welfare Act of June 26, 1936 (49 Stat. 1967), and its Constitution was approved by the Secretary of the Interior on October 10, 1938. A Final Roll, prepared pursuant to the 1956 Act and listing 630 individuals, was published in the *Federal Register* on August 13, 1959.

The proposed bill provides for a per capita distribution of this award to those persons whose names appear on the Ottawa terminal roll, and their heirs and legatees, and gives the Secretary authority to develop procedures for the disposition of the shares of minors or persons under a legal disability. Since the relationship between the Ottawa Tribe and the United States has been terminated, the proposed bill does not provide for programming of the judgment funds.

As there are several claims pending before the Indian Claims Commission in which the Ottawa Tribe of Oklahoma might have an interest, the proposed bill provides that in the event the sum of money reserved by the Secretary to pay the distribution costs exceeds the amount actually necessary, such funds shall remain to the credit of the tribe to be disposed of at the discretion of the Secretary.

The Bureau of the Budget has advised us that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely yours,

HARRY R. ANDERSON,
*Assistant Secretary of the Interior.*

*Ottawa (Docket No. 303) Judgment Fund—Balance as of December 31, 1966*

| | |
|---|---|
| Net award—14×7098 awards of Indian Claims Commission, Ottawa Tribe of Oklahoma | $406,166.19 |
| Attorney's fees | 40,585.24 |
| Attorney's expenses (none to date) | ---------- |
| Interest as of December 31, 1966 | 24,022.44 |
| Balance as of December 31, 1966 | 389,603.39 |

## AMENDMENT OF FEDERAL VOTING ASSISTANCE ACT OF 1955

Mr. CANNON. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Voting Assistance Act of 1955 (69 Stat. 584).

The proposed amendments are intended to facilitate and improve the process of absentee voting by members of the Armed Forces and certain other organizations and individuals serving with them while outside the United States, and for certain other purposes.

These amendments are procedural in nature and do not substantially alter the existing act.

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

The bill (S. 1581) to amend the Federal Voting Assistance Act of 1955 (69 Stat. 584), introduced by Mr. CANNON, was received, read twice by its title, and referred to the Committee on Rules and Administration.

## FEDERAL FINE ARTS AND ARCHITECTURE ACT

Mr. MUSKIE. Mr. President, on behalf of myself and Senators HART, MCCARTHY, and YARBOROUGH, I introduce, for appropriate reference, a bill to foster high standards of architectural excellence in the design of Federal public buildings and post offices outside the District of Columbia, and to provide a program for the acquisition and preservation of works of art for such buildings.

This bill is identical to a bill which Congressman REUSS, of Wisconsin, will introduce tomorrow in the House of Representatives, and similar to S. 3521, which I introduced in the 89th Congress.

Mr. President, too often Federal buildings outside the District of Columbia are unimaginative, mediocre structures which have been built to last, but not to add esthetic beauty to their surroundings. Too often they bear little relation to their sites or to architectural styles around them. Frequently the works of art in these buildings have been added as an afterthought and not as an integral part of the total design.

Sadly, many Federal buildings throughout the United States stand as monuments to bad taste for generations to come, when they should be examples of what is best in contemporary American art and architecture.

The proposed Federal Fine Arts and Architecture Act seeks to upgrade the quality and design of Federal buildings and post offices outside the District of Columbia and to provide for the acquisition of suitable works of art for such buildings by establishing the Public Advisory Panel on Architectural Services in the General Services Administration. At least 12 distinguished architects from private life, including landscape architects and city planners; at least six representatives from allied fields, including painters, mural artists, sculptors, specialists in the decorative arts and crafts, and interior designers; and Federal representatives would be included on the panel. The Commissioner of the Public Buildings Service of GSA would act as Chairman.

This provision would give statutory recognition to the GSA Executive order, revised on August 17, 1965, which established a Public Advisory Panel on Architectural Services and whose membership is substantially the same as that proposed in this bill.

In appointing public members to the Panel, the Administrator of GSA shall choose from nominations submitted to him by the Chairman of the National Endowment for the Arts.

Mr. President, the proposed Architectural Advisory Board would have four main functions. It would make recommendations to the GSA Administrator and the Postmaster General on criteria for evaluating and selecting architects for public buildings and post offices outside the District of Columbia and on the choice of artists for works of art to be used in these buildings. It would be authorized to review GSA design standards, guides, and procedures. It would advise the Administrator and Postmaster General on the selection of architects and artists, and it would review and advise them with respect to the acceptability of architectural designs or works of art for individual projects.

Finally, this bill would authorize the GSA Administrator and the Postmaster General to spend an amount equal to 1 percent of the total amount appropriated for the preceding fiscal year for the design and construction of public buildings outside the District of Columbia in order to acquire and maintain suitable works of art for these buildings.

Mr. President, by improving the quality of the art and architecture of Federal buildings all over the United States, I believe this bill would help to enhance the environment of many of our towns and cities. These buildings would reflect the dignity, vitality, and strength of our Nation.

Mr. President, I ask unanimous consent that the text of this 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. 1582) to foster high standards of architectural excellence in the design and decoration of Federal public buildings and post offices outside the District of Columbia, and to provide a program for the acquisition and preservation of works of art for such buildings, and for other purposes, to be known as the Federal Fine Arts and Architecture Act, introduced by Mr. MUSKIE (for himself and other Senators), 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. 1582

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That it is hereby declared to be the purpose of this Act to provide—

(1) for the maintenance of high standards of architectural design and art for public buildings and post offices outside the District of Columbia; and

(2) a program for the acquisition and preservation of suitable works of art for public buildings and post offices outside the District of Columbia.

SEC. 2. For the purposes of this Act—

(a) The term "Administrator" means the Administrator of General Services.

(b) The term "public building" shall have the same meaning as is provided in section 13(1) of the Public Buildings Act of 1959.

SEC. 3. (1) The Public Advisory Panel on Architectural Services is hereby established in the General Services Administration. The Administrator shall appoint to the Panel at least twelve (12) distinguished architects from among persons in private life professionally engaged in architecture, landscape architecture, or city planning, and at least six (6) distinguished representatives of the fields of art allied to architecture, including painting (two members, of whom one shall

be experienced in mural decoration), sculpture (two members, of whom one shall be experienced in sculpture related to the architectural environment), the decorative arts and crafts (one member), and interior design (one member), and such appropriate representatives of the Federal Government as the Administrator may desire to serve ex officio. The Commissioner, Public Buildings Service, General Services Administration, shall be chairman of the Panel.

(2) The Administrator shall appoint the public members of the Panel from nominations submitted to him from time to time by the Chairman of the National Endowment for the Arts, who shall recommend at least three persons for each position in a professional field for which a public member is to be appointed. The Chairman of the Endowment, in preparing lists of nominees, shall call upon the National Council on the Arts and the Endowment's advisory panels covering the fields of architecture, painting, sculpture, the decorative arts and crafts, and interior design, for advice and assistance, and shall give due consideration to any nominations submitted to the Endowment by established national organizations in the respective professional fields of art and architecture.

(3) Each public member of the Panel shall serve for a term expiring in one of the first three years succeeding the year in which he is appointed, as designated by the Administrator at the time of appointment, subject to the limitation that not more than one painter and one sculptor may have a term scheduled to expire in the same calendar year. No public member of the Panel shall be eligible for reappointment for a term beginning less than two years after the expiration of his third consecutive term.

(4) Each public member of the Panel shall receive compensation at the rate of $50 per diem for each day on which he is engaged in the performance of his duties as such, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of such duties.

(5) In order to insure that Federal public buildings, outside of the District of Columbia, and buildings leased to the United States for use by the Post Office Department, outside of the District of Columbia, may be enhanced by beauty, dignity, economy, utility, and suitable works of art, the Panel shall have the following functions:

(a) Develop and make recommendations to the Administrator and to the Postmaster General as to criteria for the evaluation and selection of, and contractual relationships with, architects for public buildings, and post office buildings, and with artists for works of art related to the total design concept of such buildings.

(b) Review General Services Administration design standards, criteria, guides and procedures and recommend to the Administrator and to the Postmaster General any necessary or desirable changes to further the objectives and purposes of this Act.

(c) Advise the Administrator and the Postmaster General in the selection of architects for the design of nationally significant buildings designated by the Administrator or by the Postmaster General, and of distinguished artists recommended by the architect of such building or by the Panel to work with the architect at the early planning stages.

(d) Review and advise the Administrator or the Postmaster General with respect to the acceptability of architectural designs or works of art proposed for individual projects designated by the Administrator or by the Postmaster General.

(6) Meetings of the Panel shall be at the call of the Chairman or by request of three or more public members. The Panel shall maintain such records as are necessary and render such reports and submit such recommendations as may be requested by the Administrator or the Postmaster General or otherwise considered by the Panel as necessary to discharge its responsibilities under this Act. With the approval of the Administrator or the Postmaster General specified functions of the Panel may be performed by subpanels designated by the Administrator or by the Chairman of the Panel.

SEC. 4. The Administrator and the Postmaster General are authorized to acquire and maintain works of art for public buildings or for post offices, respectively, outside the District of Columbia. In addition to any amounts otherwise authorized, there is hereby authorized to be appropriated for this purpose in each fiscal year, to remain available until expended, an amount equal to 1 per centum of the total amount appropriated for the preceding fiscal year for the design and construction of public buildings outside the District of Columbia. The Postmaster General shall endeavor to secure a similar level and quality of works of art for buildings, outside the District of Columbia, leased to the United States for use by the Post Office Department.

SEC. 5. The Panel shall provide recommendations to the Administrator and to the Postmaster General concerning the artists and works of art under section 4. The Panel may, where appropriate, recommend to the Administrator and the Postmaster General, respectively, the holding of competitions for the selection of artists and of designs or models of works of art.



## INTRODUCTION OF PORNOGRAPHY COMMISSION BILL

Mr. MILLER. Mr. President, I send to the desk a bill to create a Commission to be known as the Commission for Elimination of Pornographic Materials, and I ask that it be printed in the RECORD and appropriately referred.

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

The bill (S. 1584) to create a Commission to be known as the Commission for Elimination of Pornographic Materials, introduced by Mr. MILLER, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

S. 1584

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

FINDINGS OF FACT AND DECLARATION OF POLICY

SECTION 1. The Congress finds that the publication and dissemination of pornographic materials is a menace to the moral fiber of the American people. All levels of government—Federal, State, and local—bear a responsibility in eliminating this menace, although it is recognized that this responsibility can be effectively carried out only through the cooperative efforts of all citizens. It is the purpose of this Act to establish a national commission to investigate the traffic in pornographic materials, analyze the laws and regulations relating to this traffic, and make recommendations for improved laws and other methods of control and elimination of such materials, and provide information needed to promote a coordinated national effort to eliminate pornographic materials from our society.

ESTABLISHMENT OF THE COMMISSION FOR ELIMINATION OF PORNOGRAPHIC MATERIALS

SEC. 2. (a) For the purpose of carrying out the provisions of this Act, there is hereby created a commission to be known as the Commission for Elimination of Pornographic Materials (hereinafter referred to as the "Commission").

(b) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. 99).

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of twenty-five members, appointed by the President, as follows:

(1) Two from the Senate (one from each major political party);

(2) Two from the House of Representatives (one from each major political party);

(3) One from the Post Office Department;

(4) One from the Department of Justice;

(5) One from the Department of Defense;

(6) Three from the clergy;

(7) One medical doctor who shall be prominent in the field of psychiatry;

(8) One who shall be a prominent representative of the book publishing industry;

(9) One who shall be a prominent representative of the magazine and periodical publishing industry;

(10) One who shall be a prominent representative of the newspaper publishing industry;

(11) One who shall be a prominent representative of the motion picture industry;

(12) One who shall be a prominent representative of the radio and television industry;

(13) One attorney who shall be a chief prosecutor of a city or county government;

(14) One attorney who shall be prominent in the practice of law;

(15) Three educators (one who shall be prominent in the field of primary education, one who shall be prominent in the field of secondary education, and one who shall be prominent in the field of higher education);

(16) Two parents serving actively in a parent-teacher association; and

(17) Two judges from the State or local benches.

(b) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(c) CONTINUATION OF MEMBERSHIP UPON CHANGE OF STATUS.—A change in the status of employment of any person appointed to the Commission pursuant to subsection (a) of this section shall not affect his membership upon the Commission.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

SEC. 5. Thirteen members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) MEMBERS FROM THE EXECUTIVE BRANCH.—The members of the Commission who are in the executive branch of the Government shall serve without compensation in addition to that received for their serv-

ices in the executive branch, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive $100 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 7. The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this Act.

DUTIES OF THE COMMISSION

SEC. 9. (a) INVESTIGATION, ANALYSIS, AND RECOMMENDATIONS.—It shall be the duty of the Commission—

(1) to explore methods of combating the traffic in pornographic materials at the various levels of governmental responsibility;

(2) to provide for the development of a plan for improved coordination between Federal, State, and local officials in the suppression of such traffic;

(3) to determine ways and means of informing the public as to the origin, scope, and effects of such traffic, and of obtaining public support in its suppression;

(4) to secure the active cooperation of leaders in the field of mass media for the accomplishment of the objectives and purposes of this Act;

(5) to formulate recommendations for such legislative, administrative, or other forms of action as may be deemed necessary to combat such traffic; and

(6) to analyze the laws pertaining to traffic in pornographic matters and materials, and to make such recommendations to the Congress for appropriate revisions of Federal laws as the Commission may deem necessary in order to effectively regulate the flow of such traffic.

(b) REPORT.—The Commission shall report to the President and the Congress its findings and recommendations as soon as practicable and in no event later than January 31, 1969. The Commission shall cease to exist sixty days following the submission of its final report.

POWERS OF THE COMMISSION

SEC. 10. (a) HEARINGS AND SESSIONS.—The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee or member may deem advisable. Subpenas may be issued over the signature of the Chairman of the Commission, or such subcommittee, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 through 104 of the Revised Statutes of the United States (2 U.S.C. 192–194) shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

(b) ADVISORY COMMITTEES.—In carrying out its duties under this Act, the Commission—

(1) may constitute such advisory committees within States composed of citizens of that State, and

(2) may consult with Governors, attorneys general, and other representatives of State and local government and private organizations, as it deems advisable.

Any advisory committee constituted pursuant to this subsection shall carry out its duties without expense to the United States.

(c) OBTAINING OFFICIAL DATA.—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics for the purpose of this Act, and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

Mr. MILLER. Mr. President, the publication and dissemination of pornographic materials is a menace to the moral fiber of the American people. It is also a vexing problem to which legislatures and courts have not yet found an effective solution. The Commission which I propose would be composed of 25 members, to be appointed by the President from various walks of life. The Commission would investigate the traffic in pornographic materials, and provide information needed to promote a coordinated national effort to eliminate pornographic materials from our society.

## ISSUANCE OF SPECIAL SERIES OF POSTAGE STAMPS IN COMMEMORATION OF THE 50TH ANNIVERSARY OF THE INDEPENDENCE OF CZECHOSLOVAKIA

Mr. HRUSKA. Mr. President, on October 26, 1918, in Independence Hall, Philadelphia, Pa., a document of great importance was signed. The document was the Declaration of Independence of Czechoslovakia, and its signer was the founder and President-liberator of the first Czechoslovak Republic, the late Prof. Thomas G. Masaryk.

The document and the man symbolized then, as they do today, the belief of the people of Czechoslovakia in the universal principles of justice and right. The document marked an end and a beginning. The end of the old Austro-Hungarian Empire and the beginning of a free republic, which rose from its ruins—the stablest, strongest, and most prosperous of the succession states.

In order to commemorate the 50th anniversary of the independence of Czechoslovakia, and in recognition of that nation's declaration of freedom on October 26, 1918, I introduce, for appropriate reference, a bill to provide for the issuance of a special series of postage stamps.

In introducing this bill, I am both proud and sad. Proud of the accomplishments of the Czechoslovak people, yet sad that today, Czechoslovakia is a captive nation. For 19 years it has been enslaved and oppressed by a relentless power which seeks to fasten a similar fate upon all nations and peoples the world over.

However, this bill is to commemorate an event that will continue to inspire oppressed people everywhere. For where there abides a fierce love of liberty, as it does in the hearts of Czechoslovakian people, there will be a foundation for eventual deliverance from bondage.

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

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

The bill (S. 1587) to provide for the issuance of a special series of postage stamps in commemoration of the 50th anniversary of the independence of Czechoslovakia, introduced by Mr. HRUSKA, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

S. 1587

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Postmaster General is authorized and directed to issue a special series of postage stamps commemorating the fiftieth anniversary of the independence of Czechoslovakia, and in recognition of that nation's declaration of its freedom on October 26, 1918, at Independence Hall, in Philadelphia, Pennsylvania.

SEC. 2. Such series of postage stamps shall be first offered for sale to the public at Philadelphia, Pennsylvania on October 26, 1968, and elsewhere on the day following the first day of sale, and shall be thereafter issued in such denomination and design, and for such period, as the Postmaster General shall determine.

## PROPOSED SURVEY OF THE COASTAL AND FRESH WATER COMMERCIAL FISHERY RESOURCES OF THE UNITED STATES

Mr. HATFIELD. Mr. President, I introduce, for appropriate reference, a joint resolution to authorize and direct the Secretary of the Interior to conduct a survey of the coastal and fresh water commercial fishery resources of the United States, its territories, and possessions.

A similar resolution was passed by the Senate at the last session of Congress, but too late in the session to receive attention in the House.

A resolution identical to the one I am introducing today has earlier this session been introduced in the House by Oregon Congressman WENDELL WYATT.

I ask that the joint resolution be printed at this point in the RECORD.

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

The joint resolution (S.J. Res. 75) to authorize and direct the Secretary of the Interior to conduct a survey of the coastal and fresh water commercial fishery resources of the United States, its territories, and possessions, intro-

duced by Mr. HATFIELD, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S.J. RES. 75

Whereas the United States has the richest and most extensive coastal and inland fishery resources of any nation but has failed to develop, to utilize, and to conserve her fishery resources to the fullest extent; and

Whereas the fishery resources of the United States and of waters contiguous to the United States have, by their variety and abundance, attracted the fishing fleets of many European and Asiatic nations and encouraged them to send fishing vessels to these waters which are more numerous, larger, and superior in capacity and equipment to those of the United States and with such enterprise and capabilities as to threaten these resources with depletion or extinction; and

Whereas the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas came into force and effect on March 20, 1966, and the Convention for the first time under international law recognizes the dominant and special interest and rights of a coastal nation to adopt regulations to conserve fishery resources adjacent to its coast under conservation programs based on scientific studies of the resource; and

Whereas additional biological data must be gathered and scientific resource studies be completed to provide for an effective implementation of our rights and obligations to conserve our coastal fishery resources under the 1958 Convention; and

Whereas the last comprehensive survey of said resources was conducted over twenty years ago, and new, current information is necessary for action in preservation and utilization of our present and future national fishery interests: Therefore be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Secretary of the Interior is hereby authorized and directed to conduct a survey of the character, extent, and condition of the coastal and fresh-water sport and commercial fishery resources, including both those resources now being utilized by United States and foreign fishermen and those potential resources which are latent and unused, of the United States, its territories, and possessions, including coastal and distant water fishery resources in which the United States has an interest or right.

SEC. 2. The Secretary of the Interior is directed to submit through the President a report to the Congress as soon as practicable, but not later than three years after enactment of this Act, concerning the results of the survey authorized and directed in the preceding section, along with recommendations for legislation thereon.

SEC. 3. There is authorized to be appropriated, out of moneys in the Treasury not otherwise appropriated, such funds as may be necessary for the purpose of carrying out the provisions of this joint resolution, but not to exceed $3,000,000.

## INTRODUCTION OF JOINT RESOLUTION PROCLAIMING "BIBLE TRANSLATION DAY"

Mr. HARRIS. Mr. President, for myself and the Senator from North Carolina [Mr. ERVIN], I introduce for appropriate reference a joint resolution to authorize the President to issue a proclamation designating the 30th day of September 1967 as "Bible Translation Day."

I am particularly interested in the passage of this resolution because of my admiration and respect for the Summer Institute of Linguistics, which operates a linguistics institute, among other places, at the University of Oklahoma each summer. This resolution is the same one that passed the Senate last session. It has the support of the various groups active in Bible translation. I hope that it will be passed again.

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

The joint resolution (S.J. Res. 76) to authorize the President to issue a proclamation designating the 30th day of September in 1967 as "Bible Translation Day," introduced by Mr. HARRIS (for himself and Mr. ERVIN), was received, read twice by its title, and referred to the Committee on the Judiciary.

## GEOGRAPHIC DISPERSION OF FEDERAL FUNDS AND ACTIVITIES

Mr. PEARSON. Mr. President, I submit today a concurrent resolution expressing the sense of Congress that the executive branch of the Government in awarding research and development grants and in its decisions concerning the location or transfer of federally supported operations, take into account the desirability of achieving a more equitable geographic distribution of these activities.

The imbalance in these types of Federal spending has long been recognized and the need for its correction has been extensively discussed here in Congress and across the country. To date, however, very little corrective action has been taken and the problem continues to worsen. Thus, we must act now to insure that our Nation's educational and economic development is not further impaired.

One of the most serious imbalances, Mr. President, concerns the allocation of Federal research and development funds to our institutions of higher learning. A few examples will serve to illustrate. In 1965, Federal obligations for the support of academic science and other educational activities in institutions of higher learning totaled $2.3 billion. Approximately 76 percent of this money, or $1.7 billion, was allocated to student aid and course improvements in science education, grants for science research, and support for current operating costs and facilities of general research and development activities. The remaining 24 percent went for other educational activities consisting in large part of the Office of Education's program for construction and equipping of undergraduate facilities.

Mr. President, approximately 40.4 percent of the total $2.3 billion of Federal support money was concentrated in only 25 universities. Moreover, these institutions are located in only 15 of the 50 States. For the most part they are concentrated in the Northeastern States of New York and Massachusetts; the East North Central States of Michigan, Illinois, Wisconsin, and Minnesota; and in the Far Western State of California.

This concentration is even greater in regard to Federal contract research centers, which are research and development organizations exclusively or substantially financed by the Government, but generally located at or near educational institutions. Approximately 60 percent of Federal support in fiscal 1965 went to centers in just two States—California and Massachusetts. Indeed, California alone accounted for roughly 49 percent of all such support money.

Furthermore, Mr. President, in 1965 of the 2,237 universities and colleges in the United States, only 1,458 received any Federal support funds at all. Of these, the first 100 institutions ranked in order of magnitude of Federal aid accounted for 85 percent of the $1.7 billion allocated to science research and development, and 77 percent of the total $2.3 billion Federal support program.

In addition, of this elite college group, schools in only four States—New York, California, Massachusetts, and Michigan—received 27.2 percent of the total Federal support money going to higher education.

This disparity is made even more striking when my home State of Kansas is used as an illustration. Kansas received only eight-tenths of 1 percent of the total Federal allocation to higher education, while California received 9.7 percent, New York 8.5 percent, Massachusetts 5.4 percent, and Illinois 5 percent.

Furthermore, Kansas received less than 0.05 percent of NASA prime contract awards in fiscal 1966, while California garnered 43.8 percent, New York 11.3 percent, Louisiana 8.2 percent, and Alabama 7.7 percent.

Mr. President, I want to make it very clear that I am not suggesting that Kansas should receive the same amount of educational aid as, say, California. Given their great difference in population such a distribution would be unjustified and untenable. But the inequities of the present system are too great, and I want to discuss some of the problems which inevitably flow from the existing distribution patterns.

First, I would point to the impact that Federal spending has on the structure of the Nation's system of higher education. Competition exists in all areas of higher education and the desire for Federal aid is universal. The great competitive advantage with which large, established research centers begin is compounded as they receive more and more Federal money with which to attract more and more high quality staff.

This leads to a good deal of "raiding" for top talent by the larger universities. The resulting "brain drain" is severely hampering the ability of smaller institutions, not only to compete for Federal funds, but also to offer rewarding educations.

The scope of this problem is readily apparent when one considers the fact that while the Midwest produces 40 percent of all Ph. D.'s in science, it retains only about 25 percent, the remainder being attracted to the coastal States.

But much more is involved than the effect of these grants on the educational institutions themselves, Mr. President. We often overlook the tremendous impact of these funds on the character and vitality of the surrounding local economy.

As these concentrations of research facilities and intellectual talent begin to build up the trend feeds upon itself and provides its own momentum.

Much more than the immense $16 billion a year which the Federal Government spends on research and development is involved. Due to the enormous complexity of our military defense system and our space program, the Federal Government has come to concentrate much of its spending for these activities in a few regions. Without a conscious effort to achieve a more balanced distribution it is not difficult to see why this concentration has occurred. In awarding a Government contract, the administrators must keep the following question foremost in mind: Can this institution, firm, or area meet the performance requirements demanded? Thus, in the absence of alternative centers, space and defense related contracts tend to flow to to a few choice areas.

For example, in fiscal 1966, one State—California—received more money in NASA prime contracts awards than 47 other States and the District of Columbia combined. Furthermore, in fiscal 1965, about 50 percent of the Defense Department's $23.3 billion prime contracts were concentrated in only five States—New York, California, Texas, Connecticut, and Massachusetts.

This in turn further encourages the concentration of business and industries geared to the production of highly sophisticated products which are a by-product of enormous proliferation of space age technologies of the past decade Furthermore, private research money tends to follow the Federal money, thus compounding an already adverse trend in a multiplier effect.

As concentration generates further concentration the deficient communities and regions are placed at an ever worsening disadvantage in the competition to attract the highly technologically oriented business and industries. With general economic growth increasingly tied to an ability to provide the technological expertise modern business and industry demands, the growth potential of those communities deficient in research facilities and related activities is seriously, possibly irreparably, damaged.

This loss of economic growth potential, serious as it may be, Mr. President, is not the only damage suffered by the smaller communities who see their highly educated citizens depart for other areas. The quality of community life also suffers—often greviously. The advice and counsel so often given freely by experts in architecture, urban planning, engineering, and many other fields is simply no longer available.

Mr. President, no one argues that great imbalances have been deliberately planned. Quite the contrary, they have occurred because there has been no conscious effort to prevent this occurrence.

There is, of course, no simple solution to this complex problem. Certainly no one proposes the establishment of a rigid guideline which would distribute research and development funds simply on a geographical basis. But the range of factors used in the awarding of grants must be greatly broadened.

The responsible Government agencies must recognize that in the awarding of these grants and contracts they set in motion a chain of events which have ramifications far beyond the immediate concern of accomplishing the specific objective of the award.

Mr. President, there will be those who describe this or similar proposals as being born of narrow parochialism. And I am the first to concede that the most vigorous support for proposals to correct the current imbalance comes from those communities and regions which are now most disadvantaged and that the greatest opposition will come from the States which are now most favored.

Mr. President, my response to this is of two parts. First, I want to make one thing very clear; I do not propose that we begin to deny Federal funds to those communities and regions which are now receiving the bulk of this money. All recognize that such a policy would probably create more problems than it solved.

I do propose, however, that as new and greater volumes of funds are made available they be distributed on a more equitable basis.

Second, I would emphasize that the fact that parochial interests are inevitably involved does not obviate the fact that this is a problem which has genuine and highly important national implications.

Mr. President, it is not in the national interest to pursue a policy that accelerates the concentration of scientific talents and resources in a relatively few localities.

Mr. President, it is in the national interest to promote geographical dispersion whenever this can be done without creating inefficiencies in federally sponsored research and development programs.

For example, Mr. President, a careful analysis of all factors related to national defense demands the conclusion that the concentration of intellectual talent, research facilities, and technological capacities into a few geographical areas is militarily unwise.

A greater dispersal of the Nation's brainpower and technological capacity is good defense strategy.

Even more important, Mr. President, is the fact that a broader geographical distribution of intellectual talent and related facilities and activities simply makes good sense economically, socially, and culturally from both a regional and national point of view.

Mr. President, in this connection, I would like to refer to my statement of April 17 on the crisis of the cities. At that time I argued that if we are to deal effectively with this crisis we must discard the dogmas of the past and tap new sources of energies and ideas. I argued the traditional view of massive urban concentration as being inevitable and desirable must now be questioned. I am of the view that many of our metropolitan areas have reached the point of diminishing economic and social returns; where the possible advantages associated with urban concentration are more than offset by increased economic waste and social costs.

The Federal Government must undertake measures to better control the indiscriminant concentration of economic resources and population if our cities are to remain viable social units. A more equitable distribution of Federal spending which I propose today is one such measure of high priority, for the present pattern inevitably leads to further concentration, with all its attendant problems.

The massive metropolitan areas are already faced with enormous problems of air and water pollution, inadequate housing, crime control, education, and poverty. The search for a solution to these problems will require both time and money. It certainly will not be made any easier by encouraging a rapid influx of people to areas already plagued with overpopulation.

The allocation of Federal research and development funds, sites for Federal activities of all sorts, and the awarding of immense contracts, have all proceeded without adequate regard for the severe economic, and social dislocation their maldistribution can cause.

Mr. President, as a result of congressional pressure and a series of hearings held last year by the Senate Subcommittee on Government Research, a start has been made. NASA, the National Science Foundation, and the Office of Education are all making an effort to achieve a more equitable balance in their spending programs. In addition, the Defense Department has inaugurated Project Themis in an attempt to encourage the dispersion of research funds wherever facilities for new centers exist or wherever existing centers are willing to make the necessary effort.

It is encouraging to see some progress, however small. But we must do more. We must act now to achieve a reasonable balance in Federal funding and contracting.

Mr. President, a wise man once said, "Be just before you're generous." I would amend that to read, "Be careful before you're generous." Be careful—lest the Federal Government unwittingly makes worse the very social diseases it is attempting to cure. Be careful—lest the goal of progress and prosperity become the reality of poverty and paralysis.

I ask unanimous consent that the appended tables and the text of this concurrent resolution 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 and tables will be printed in the RECORD.

The concurrent resolution (S. Con.

Res. 22) was referred to the Committee on Labor and Public Welfare as follows:

S. CON. RES. 22

Whereas research and development funds and contracts, made available or issued by departments and agencies of the United States to institutions of higher learning and to other private and public research oriented organizations, for scientific or educational purposes, are being concentrated in certain geographic areas and in certain institutions, thereby creating inequities in the distribution of scientific and teaching skills and capacities throughout the several States of the United States; and

Whereas the location of sites for activities of the United States and purchasing and contracting of the United States, coupled with the mobility of our population, have strongly influenced regional and local concentrations of population; thus further adding to the problem of inequitable distribution of highly trained manpower throughout the several States of the United States; and

Whereas many geographic areas of the United States, and institutions of higher learning within those areas, possess human and economic resources for development to a much greater extent than has been utilized, and offer unparalleled opportunities for progress and prosperity: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of Congress (1) that in the granting, lending, or otherwise awarding of research and development funds available for scientific or educational purposes to institutions of higher learning, an important factor in making any such grant, loan, or award by any department or agency of the United States shall be a more equitable distribution of such funds to all qualifying institutions of higher learning, with particular consideration being given to developing institutions of higher learning, for the purpose of avoiding the concentration of such research and development funds in certain geographic areas and of insuring a continuing reservoir of scientific and teaching skills and capacities throughout all the States of the United States; and (2) that in any decision to locate or transfer an activity of the United States, and in any decision to award a contract or subcontract of the United States (other than on a competitive bid basis), an important factor entering into such decision by any department or agency of the United States shall be the promotion of a more orderly and equitable distribution of the population of the States of the United States and the areas within the several States in order to avoid or minimize heavy concentrations of population, and to provide more opportunities for balanced economic growth.

The tables, presented by Mr. PEARSON, are as follows:

TABLE I.—*100 universities and colleges receiving the largest amounts of Federal support, 1965*

[In thousands of dollars]

| Institution (ranked according to total Federal support) | Total support [1] | | Academic science support [1] | |
|---|---|---|---|---|
| | Amount | Percent of total | Amount | Percent of total |
| 1. Massachusetts Institute of Technology (Massachusetts) | 59,601 | 2.6 | 59,410 | 3.4 |
| 2. University of Michigan (Michigan) | 58,805 | 2.6 | 50,239 | 2.9 |
| 3. University of California, Los Angeles (California) | 51,884 | 2.3 | 35,434 | 2.0 |
| 4. Columbia University (New York) | 51,793 | 2.3 | 45,681 | 2.6 |
| 5. Cornell University (New York) | 48,858 | 2.1 | 47,769 | 2.8 |
| 6. University of Illinois (Illinois) | 44,892 | 2.0 | 40,525 | 2.3 |
| 7. University of California, Berkeley (California) | 43,561 | 1.9 | 39,753 | 2.3 |
| 8. Stanford University (California) | 42,703 | 1.9 | 39,101 | 2.3 |
| 9. University of Minnesota, Minneapolis | 41,765 | 1.8 | 35,855 | 2.1 |
| 10. Harvard University (Massachusetts) | 40,802 | 1.8 | 39,344 | 2.3 |
| 11. University of Wisconsin, Madison (Wisconsin) | 39,789 | 1.8 | 33,442 | 1.9 |
| 12. New York University (New York) | 36,571 | 1.6 | 29,858 | 1.7 |
| 13. University of Washington (Washington) | 36,082 | 1.6 | 33,236 | 1.9 |
| 14. University of Chicago (Illinois) | 35,692 | 1.6 | 34,907 | 2.0 |
| 15. Johns Hopkins University (Maryland) | 33,198 | 1.5 | 29,492 | 1.7 |
| 16. University of Pennsylvania (Pennsylvania) | 32,710 | 1.4 | 30,500 | 1.8 |
| 17. University of Texas (Texas) | 32,400 | 1.4 | 26,557 | 1.5 |
| 18. Yale University (Connecticut) | 26,488 | 1.2 | 24,986 | 1.4 |
| 19. Ohio State University (Ohio) | 25,388 | 1.1 | 22,642 | 1.3 |
| 20. University of Maryland (Maryland) | 25,192 | 1.1 | 17,704 | 1.0 |
| 21. Western Reserve University (Ohio) | 23,597 | 1.0 | 18,520 | 1.1 |
| 22. University of Pittsburgh (Pennsylvania) | 22,825 | 1.0 | 17,869 | 1.0 |
| 23. University of Colorado (Colorado) | 22,813 | 1.0 | 19,705 | 1.1 |
| 24. Purdue University (Indiana) | 21,575 | .9 | 18,238 | 1.1 |
| 25. Washington University (Missouri) | 20,316 | .9 | 18,900 | 1.1 |
| Subtotal | 919,300 | 40.4 | 809,668 | 46.6 |
| 26. University of Southern California (California) | 20,313 | .9 | 15,322 | .9 |
| 27. Yeshiva University (New York) | 19,950 | .9 | 17,600 | 1.0 |
| 28. Indiana University (Indiana) | 19,513 | .9 | 14,061 | .8 |
| 29. Rutgers University (New Jersey) | 19,107 | .8 | 13,111 | .8 |
| 30. Pennsylvania State University (Pennsylvania) | 18,985 | .8 | 14,298 | .8 |
| 31. University of California, San Diego (California) | 18,842 | .8 | 10,787 | .6 |
| 32. University of Rochester (New York) | 18,501 | .8 | 17,925 | 1.0 |
| 33. Duke University (North Carolina) | 18,422 | .8 | 16,469 | 1.0 |
| 34. Princeton University (New Jersey) | 18,158 | .8 | 17,712 | 1.0 |
| 35. University of Florida (Florida) | 18,153 | .8 | 15,414 | .9 |
| 36. University of Oregon (Oregon) | 17,361 | .8 | 14,968 | .9 |
| 37. California Institute of Technology (California) | 17,287 | .8 | 17,172 | 1.0 |
| 38. Northwestern University (Illinois) | 17,175 | .8 | 13,696 | .8 |
| 39. Howard University (District of Columbia) [2] | 15,648 | .7 | 2,351 | .1 |
| 40. University of Missouri (Missouri) | 14,972 | .7 | 12,278 | .7 |
| 41. University of Utah (Utah) | 14,722 | .6 | 12,646 | .7 |
| 42. Michigan State University (Michigan) | 14,415 | .6 | 12,168 | .7 |
| 43. University of Miami (Florida) | 14,334 | .6 | 12,167 | .7 |
| 44. University of Tennessee (Tennessee) | 14,309 | .6 | 12,356 | .7 |
| 45. Tulane University of Louisiana (Louisiana) | 14,218 | .6 | 11,321 | .7 |
| 46. Loyola University (Illinois) | 13,385 | .6 | 3,692 | .2 |
| 47. University of Puerto Rico (Puerto Rico) | 13,065 | .6 | 9,632 | .6 |
| 48. University of North Carolina, Chapel Hill (North Carolina) | 13,019 | .6 | 11,123 | .6 |
| 49. University of California, San Francisco (California) | 12,997 | .6 | 12,661 | .7 |
| 50. University of Virginia (Virginia) | 12,592 | .6 | 11,223 | .6 |
| 51. Texas A. & M. University (Texas) | 12,477 | .5 | 11,824 | .7 |
| 52. University of Iowa (Iowa) | 12,475 | .5 | 10,376 | .6 |
| 53. University of Kansas (Kansas) | 12,217 | 0.5 | 10,036 | 0.6 |
| 54. University of California, Davis (California) | 11,931 | .5 | 9,239 | .5 |
| 55. University of Kentucky (Kentucky) | 11,738 | .5 | 9,912 | .6 |
| 56. University of Arizona (Arizona) | 11,597 | .5 | 9,514 | .5 |
| 57. Georgetown University (District of Columbia) | 11,494 | .5 | 5,566 | .3 |
| 58. University of Georgia (Georgia) | 11,296 | .5 | 9,304 | .5 |
| 59. Syracuse University (New York) | 11,250 | .5 | 10,326 | .6 |
| 60. University of Hawaii (Hawaii) | 10,985 | .5 | 8,165 | .5 |
| 61. University of Vermont and State Agricultural College (Vermont) | 10,718 | .5 | 5,771 | .3 |
| 62. University of Nebraska (Nebraska) | 10,718 | .5 | 6,656 | .4 |
| 63. University of North Carolina State at Raleigh (North Carolina) | 10,493 | .5 | 9,797 | .6 |
| 64. Oregon State University (Oregon) | 10,369 | .5 | 9,182 | .5 |
| 65. Louisiana State University and A. & M. College (Louisiana) | 9,995 | .4 | 8,152 | .5 |
| 66. Baylor University (Texas) | 9,770 | .4 | 9,466 | .5 |
| 67. Boston University (Massachusetts) | 9,649 | .4 | 7,314 | .4 |
| 68. Iowa State University of Science and Technology (Iowa) | 9,559 | .4 | 9,114 | .5 |
| 69. Wayne State University (Michigan) | 9,420 | .4 | 6,704 | .4 |
| 70. Emory University (Georgia) | 9,217 | .4 | 6,978 | .4 |
| 71. University of Alabama (Alabama) | 9,103 | .4 | 7,204 | .4 |
| 72. University of Oklahoma (Oklahoma) | 8,986 | .4 | 7,809 | .5 |
| 73. Case Institute of Technology (Ohio) | 8,868 | .4 | 8,743 | .5 |
| 74. Vanderbilt University (Tennessee) | 8,540 | .4 | 8,001 | .5 |
| 75. Rice University (Texas) | 8,256 | .4 | 7,003 | .4 |
| 76. Brown University (Rhode Island) | 8,244 | .4 | 7,923 | .5 |
| 77. Colorado State University (Colorado) | 8,231 | .4 | 7,321 | .4 |
| 78. Oklahoma State University of Agriculture and Applied Sciences | 8,024 | .4 | 6,609 | .4 |
| 79. Florida State University (Florida) | 7,638 | .3 | 5,366 | .3 |
| 80. University of Arkansas (Arkansas) | 7,619 | .3 | 7,100 | .4 |
| 81. University of Massachusetts (Massachusetts) | 7,494 | .3 | 6,349 | .4 |
| 82. West Virginia University (West Virginia) | 7,228 | .3 | 6,407 | .4 |
| 83. Georgia Institute of Technology (Georgia) | 7,164 | .3 | 5,703 | .3 |
| 84. George Washington University (District of Columbia) | 7,059 | .3 | 6,169 | .4 |
| 85. Auburn University (Alabama) | 7,045 | .3 | 6,208 | .4 |
| 86. Tufts University (Massachusetts) | 7,030 | .3 | 5,731 | .3 |
| 87. State University of New York of Buffalo (New York) | 6,828 | .3 | 6,460 | .4 |
| 88. Carnegie Institute of Technology (Pennsylvania) | 6,618 | .3 | 6,356 | .4 |
| 89. Mississippi State University (Mississippi) | 6,577 | .3 | 5,342 | .3 |
| 90. Kansas State University of Agriculture and Applied Science | 6,545 | .3 | 5,013 | .3 |
| 91. Temple University (Pennsylvania) | 6,491 | .3 | 5,001 | .3 |
| 92. University of New Mexico (New Mexico) | 6,480 | .3 | 3,606 | .2 |
| 93. New Mexico State University (New Mexico) | 6,292 | .3 | 5,808 | .3 |
| 94. University of Mississippi (Mississippi) | 6,046 | .3 | 3,174 | .2 |
| 95. University of Connecticut (Connecticut) | 6,005 | .3 | 3,978 | .2 |
| 96. University of Denver (Colorado) | 5,989 | .3 | 5,391 | .3 |
| 97. Washington State University (Washington) | 5,889 | .3 | 5,274 | .3 |
| 98. Virginia Polytechnic Institute (Virginia) | 5,873 | .3 | 5,507 | .3 |
| 99. Gallaudet College (District of Columbia) [2] | 5,842 | .3 | 342 | (3) |
| 100. University of Houston (Texas) | 5,747 | .3 | 1,852 | .1 |
| Total for 100 universities and colleges | 1,759,859 | 77.4 | 1,477,966 | 85.4 |

[1] The differences between "total support" and "academic science support" are funds for other educational activities consisting in large part of the Office of Education's program for construction and initial equipping of undergraduate facilities.

[2] These obligations for Howard University and Gallaudet College are Federal appropriations for the operation of the institutions.

[3] Less than 0.05 percent.

Source: NSF 66-30.

TABLE II.—*100 universities and colleges receiving the largest amounts of Federal support, 1965*

[In thousands of dollars]

| Institution (grouped according to geographical location) | Total support [1] | | Academic science support [1] | |
|---|---|---|---|---|
| | Amount | Percent of total | Amount | Percent of total |
| Alabama: | | | | |
| University of Alabama | 9,103 | 0.4 | 7,204 | 0.4 |
| Auburn University | 7,045 | .3 | 6,208 | .4 |
| Total | 16,148 | .7 | 13,412 | .8 |
| Alaska [2] | 0 | 0 | 0 | 0 |
| Arizona: University of Arizona [2] | 11,597 | .5 | 9,514 | .5 |
| Arkansas: University of Arkansas [2] | 7,619 | .3 | 7,100 | .4 |
| California: | | | | |
| University of California—Los Angeles | 51,884 | 2.3 | 35,434 | 2.0 |
| University of California—Berkeley | 43,561 | 1.9 | 39,753 | 2.3 |
| Stanford | 42,703 | 1.9 | 39,101 | 2.3 |
| University of Southern California | 20,313 | .9 | 15,322 | .9 |
| University of California—San Diego | 18,842 | .8 | 10,787 | .6 |
| California Institute of Technology | 17,287 | .8 | 17,172 | 1.0 |
| University of California—San Francisco | 12,997 | .6 | 12,661 | .7 |
| University of California—Davis | 11,931 | .5 | 9,239 | .5 |
| Total | 219,518 | 9.7 | 179,469 | 10.3 |
| Colorado: | | | | |
| University of Colorado | 22,813 | 1.0 | 19,705 | 1.1 |
| Colorado State University | 8,231 | .4 | 7,321 | .4 |
| University of Denver | 5,989 | .3 | 5,391 | .3 |
| Total | 37,123 | 1.7 | 32,417 | 1.8 |
| Connecticut: | | | | |
| Yale University | 26,488 | 1.2 | 24,986 | 1.4 |
| University of Connecticut | 6,005 | .3 | 3,978 | .2 |
| Total | 32,493 | 1.5 | 38,964 | 1.6 |
| Delaware [2] | 0 | 0 | 0 | 0 |
| District of Columbia: | | | | |
| Howard University [3] | 15,648 | .7 | 2,351 | .1 |
| Georgetown University | 11,494 | .5 | 5,566 | .3 |
| George Washington University | 7,059 | .3 | 6,169 | .4 |
| Gallaudet College [3] | 5,842 | .3 | 342 | (4) |
| Total | 40,043 | 1.8 | 14,428 | .8 |
| Florida: | | | | |
| University of Florida | 18,153 | .8 | 15,414 | .9 |
| University of Miami | 14,334 | .6 | 12,167 | .7 |
| Florida State University | 7,638 | .3 | 5,366 | .3 |
| Total | 40,125 | 1.7 | 32,947 | 1.9 |
| Georgia: | | | | |
| University of Georgia | 11,296 | .5 | 9,304 | .5 |
| Emory University | 9,217 | .4 | 6,978 | .4 |
| Georgia Institute of Technology | 7,164 | .3 | 5,703 | .3 |
| Total | 27,677 | 1.2 | 21,985 | 1.2 |
| Hawaii: University of Hawaii [2] | 10,985 | .5 | 8,165 | .5 |
| Idaho [2] | 0 | 0 | 0 | 0 |
| Illinois: | | | | |
| University of Illinois | 44,892 | 2.0 | 40,525 | 2.3 |
| University of Chicago | 35,692 | 1.6 | 34,907 | 2.0 |
| Northwestern | 17,175 | .8 | 13,696 | .8 |
| Loyola University | 13,385 | .6 | 3,692 | .2 |
| Total | 111,144 | 5.0 | 92,820 | 5.3 |
| Indiana: | | | | |
| Purdue Iniversity | 21,575 | .9 | 18,238 | 1.1 |
| Indiana University | 19,513 | .9 | 14,061 | .8 |
| Total | 41,088 | 1.8 | 32,299 | 1.9 |
| Iowa: | | | | |
| University of Iowa | 12,475 | .5 | 10,376 | .6 |
| Iowa State University of Science & Technology | 9,559 | .4 | 9,114 | .5 |
| Total | 22,034 | .9 | 19,490 | 1.1 |
| Kansas: | | | | |
| University of Kansas | 12,217 | .5 | 10,036 | .6 |
| Kansas State University | 6,545 | .3 | 5,013 | .3 |
| Total | 18,762 | .8 | 15,049 | .9 |
| Kentucky: University of Kentucky [2] | 11,738 | .5 | 9,912 | .6 |
| Louisiana: | | | | |
| Tulane University of Louisiana | 14,218 | .6 | 11,321 | .7 |
| Louisiana State University & A. & M. College | 9,995 | .4 | 8,152 | .5 |
| Total | 24,213 | 1.0 | 19,446 | 1.2 |
| Maine [2] | 0 | 0 | 0 | 0 |
| Maryland: | | | | |
| Johns Hopkins University | 33,198 | 1.5 | 29,492 | 1.7 |
| University of Maryland | 25,192 | 1.1 | 17,704 | 1.0 |
| Total | 58,390 | 2.6 | 47,196 | 2.7 |
| Massachusetts: | | | | |
| Massachusetts Institute of Technology | 59,601 | 2.6 | 59,410 | 3.4 |
| Harvard University | 40,802 | 1.8 | 39,344 | 2.3 |
| Boston University | 9,649 | .4 | 7,314 | .4 |
| University of Massachusetts | 7,494 | .3 | 6,349 | .4 |
| Tufts University | 7,030 | .3 | 5,731 | .3 |
| Total | 124,576 | 5.4 | 118,148 | 6.8 |
| Michigan: | | | | |
| University of Michigan | 58,805 | 2.6 | 50,239 | 2.9 |
| Michigan State University | 14,415 | .6 | 12,168 | .7 |
| Wayne State University | 9,420 | .4 | 6,704 | .4 |
| Total | 82,640 | 3.6 | 69,111 | 4.0 |
| Minnesota: University of Minnesota—Minneapolis-St. Paul [2] | 41,765 | 1.8 | 35,855 | 2.1 |
| Mississippi: | | | | |
| Mississippi State University | 6,577 | .3 | 5,342 | .3 |
| University of Mississippi | 6,046 | .3 | 3,174 | .2 |
| Total | 12,623 | .6 | 8,516 | .5 |
| Missouri: | | | | |
| Washington University | 20,316 | .9 | 18,900 | 1.1 |
| University of Missouri | 14,972 | .7 | 12,278 | .7 |
| Total | 35,288 | 1.6 | 31,178 | 1.8 |
| Nebraska: University of Nebraska [2] | 10,718 | .5 | 6,656 | .4 |
| Nevada [2] | 0 | 0 | 0 | 0 |
| New Hampshire [2] | 0 | 0 | 0 | 0 |
| New Jersey: | | | | |
| Rutgers University | 19,107 | .8 | 13,111 | .8 |
| Princeton University | 18,158 | .8 | 17,712 | 1.0 |
| Total | 37,265 | 1.6 | 30,823 | 1.8 |
| New Mexico: | | | | |
| University of New Mexico | 6,480 | .3 | 3,606 | .2 |
| New Mexico State University | 6,292 | .3 | 5,808 | .3 |
| Total | 12,772 | .6 | 9,414 | .5 |
| New York: | | | | |
| Columbia | 51,793 | 2.3 | 45,681 | 2.6 |
| Cornell University | 48,858 | 2.1 | 47,769 | 2.8 |
| New York University | 36,571 | 1.6 | 29,858 | 1.7 |
| Yeshiva University | 19,950 | .9 | 17,600 | 1.0 |
| University of Rochester | 18,501 | .8 | 17,925 | 1.0 |
| Syracuse University | 11,250 | .5 | 10,326 | .6 |
| SUNYAB | 6,825 | .3 | 6,460 | .4 |
| Total | 193,748 | 8.5 | 175,619 | 10.1 |
| North Carolina: | | | | |
| University of North Carolina—Chapel Hill | 13,019 | .6 | 11,123 | .6 |
| University of North Carolina—Raleigh | 10,493 | .5 | 9,797 | .6 |
| Total | 23,512 | 1.1 | 20,920 | 1.2 |
| North Dakota [2] | 0 | 0 | 0 | 0 |
| Ohio: | | | | |
| Ohio State University | 25,388 | 1.1 | 22,642 | 1.3 |
| Western Reserve University | 23,597 | 1.0 | 18,520 | 1.1 |
| Case Institute of Technology | 8,868 | .4 | 8,743 | .5 |
| Total | 57,853 | 2.5 | 49,905 | 2.9 |
| Oklahoma: | | | | |
| Oklahoma State University | 8,024 | .4 | 6,609 | .4 |
| University of Oklahoma | 8,986 | .4 | 7,809 | .5 |
| Total | 17,010 | .8 | 14,418 | .9 |
| Oregon: | | | | |
| University of Oregon | 17,361 | .8 | 14,968 | .9 |
| Oregon State University | 10,369 | .5 | 9,182 | .5 |
| Total | 27,730 | 1.3 | 24,150 | 1.4 |
| Pennsylvania: | | | | |
| University of Pennsylvania | 32,710 | 1.4 | 30,500 | 1.8 |
| University of Pittsburgh | 22,825 | 1.0 | 17,869 | 1.0 |
| Pennsylvania State University | 18,985 | .8 | 14,298 | .8 |
| Total | 74,520 | 3.2 | 62,667 | 3.6 |
| Puerto Rico: University of Puerto Rico [2] | 13,065 | .6 | 9,632 | .6 |
| Rhode Island: Brown University [2] | 8,244 | .4 | 7,923 | .5 |
| South Carolina [2] | 0 | 0 | 0 | 0 |
| South Dakota [2] | 0 | 0 | 0 | 0 |
| Tennessee: | | | | |
| University of Tennessee | 14,309 | .6 | 12,356 | .7 |
| Vanderbilt University | 8,540 | .4 | 8,001 | .5 |
| Total | 22,849 | 1.0 | 20,357 | 1.2 |

See footnotes at end of table.

TABLE II.—*100 universities and colleges receiving the largest amounts of Federal support, 1965*—Continued

[In thousands of dollars]

| Institution (grouped according to geographical location) | Total support [1] | | Academic science support [1] | |
|---|---|---|---|---|
| | Amount | Percent of total | Amount | Percent of total |
| Texas: | | | | |
| University of Texas | 32,400 | 1.4 | 26,557 | 1.5 |
| Texas A. & M. University | 12,477 | .5 | 11,824 | .7 |
| Baylor University | 9,770 | .4 | 9,466 | .5 |
| Rice University | 8,256 | .4 | 7,003 | .4 |
| University of Houston | 5,747 | .3 | 1,852 | .1 |
| Total | 68,650 | 3.0 | 56,702 | 3.2 |
| Utah: University of Utah [2] | 14,722 | .6 | 12,646 | .7 |
| Vermont: University of Vermont & SAC [2] | 10,718 | .5 | 5,771 | .3 |
| Virginia: | | | | |
| University of Virginia | 12,592 | .6 | 11,223 | .6 |
| Virginia—Continued | | | | |
| VPI | 5,873 | 0.3 | 5,507 | 0.3 |
| Total | 18,465 | .9 | 16,730 | .9 |
| Washington: | | | | |
| University of Washington | 36,082 | 1.6 | 33,236 | 1.9 |
| Washington State University | 5,889 | .3 | 5,274 | .3 |
| Total | 41,971 | 1.9 | 38,510 | 2.2 |
| West Virginia: West Virginia University [2] | 7,228 | .3 | 6,407 | .4 |
| Wisconsin: University of Wisconsin—Madison [2] | 39,789 | 1.8 | 33,442 | 1.9 |
| Wyoming [2] | 0 | 0 | 0 | 0 |

[1] The differences between "Total support" and "Academic science support" are funds for other educational activities consisting in large part of the Office of Education's program for construction and initial equipping of undergraduate facilities.

[2] Figures shown represent totals.

[3] These obligations for Howard University and Gallaudet College are Federal appropriations for the operation of the institutions.

[4] Less than 0.05 percent.

Source: NSF 66-30.

## INVESTMENT TAX CREDIT—AMENDMENTS

AMENDMENT NO. 168

Mr. INOUYE proposed an amendment to the bill (H.R. 6950) to restore the investment credit and the allowance of accelerated depreciation in the case of certain real property, which was ordered to be printed.

AMENDMENT NO. 169

Mr. LONG of Louisiana proposed an amendment to the amendment proposed by the Senator from Hawaii [Mr. INOUYE] (amendment No. 168), to House bill 6950, supra, which was ordered to be printed.

## ADDITIONAL COSPONSORS OF BILLS

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Maryland [Mr. TYDINGS], I ask unanimous consent that, at the next printing of the bill (S. 945) to abolish the office of U.S. commissioner, to establish in place thereof within the judicial branch of the Government the office of U.S. magistrate, and for other purposes, the name of the Senator from New York [Mr. JAVITS] be added as a cosponsor.

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

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Maryland [Mr. TYDINGS], I ask unanimous consent that, at the next printing of the bill (S. 1318) to provide improved judicial machinery for the selection of juries, and for other purposes, the names of Senators BAYH, KUCHEL, METCALF, MILLER, NELSON, PELL, and WILLIAMS of New Jersey be added as cosponsors.

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

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Maryland [Mr. TYDINGS], I ask unanimous consent that, at the next printing of the bill (S. 1319) to provide improved judicial machinery for the selection of Federal juries, and for other purposes, the names of Senators BAYH, METCALF, MILLER, NELSON, PELL, and WILLIAMS of New Jersey be added as cosponsors.

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

Mr. MAGNUSON. Mr. President, at its next printing, I ask unanimous consent that the name of the senior Senator from Michigan [Mr. HART] be added as a cosponsor of the bill (S. 858) to amend the Interstate Commerce Act, with respect to recovery of a reasonable attorney's fee in case of successful maintenance of an action for recovery of damages sustained in transportation of property.

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

Mr. MAGNUSON. Mr. President, I ask unanimous consent that, at its next printing the name of the Senator from Maryland [Mr. BREWSTER] be added as additional cosponsor of the bill (S. 998) to provide for the collection, compilation, critical evaluation, publication, and sale of standard reference data.

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

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the names of the Senator from Michigan [Mr. HART] and the Senator from Texas [Mr. YARBOROUGH] be added as cosponsors of the bill (S. 1282) to amend the Internal Revenue Code of 1954 to curb the tax-exempt financing of industrial or commercial facilities used for private profitmaking purposes, at its next printing.

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

Mr. LONG of Louisiana. Mr. President, I also ask unanimous consent that the names of the Senator from Michigan [Mr. HART] and the Senator from Texas [Mr. YARBOROUGH] be added as cosponsors of the bill (S. 1283) to amend section 103 of the Internal Revenue Code of 1954 to remove the tax exemption for interest on State or local obligations issued to finance industrial or commercial facilities to be sold or leased to private profitmaking enterprises, at its next printing.

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

## NOTICE OF HEARING ON S. 1352—SILVER CERTIFICATES

Mr. SPARKMAN. Mr. President, I wish to announce that the Committee on Banking and Currency will hold hearings on May 4, 1967, on S. 1352, a bill to authorize adjustments in the amount of outstanding silver certificates, and for other purposes. The hearings will commence at 10 a.m. in room 5302, New Senate Office Building.

Persons desiring to testify or to submit written statements in connection with this bill should notify Mr. Matthew Hale, chief counsel, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, Washington, D.C., 20510; telephone 225–3921.

## NOTICE OF HEARINGS ON S. 1542—SAVINGS AND LOAN HOLDING COMPANY AMENDMENTS OF 1967

Mr. SPARKMAN. Mr. President, I wish to announce that the Committee on Banking and Currency will begin hearings on Monday, June 5, 1967, on S. 1542, a bill to amend section 408 of the National Housing Act, as amended, to provide for the regulation of savings and loan holding companies and subsidiary companies. The hearings will commence at 10 a.m. in room 5302, New Senate Office Building, and will continue on June 6 and 7.

Persons desiring to testify or to submit written statements in connection with this bill should notify Mr. Lewis G. Odom, Jr., staff director, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, Washington, D.C., 20510; telephone 225–3921.

## NOTICE OF HEARINGS ON S. 1008 AND S. 1156, BUREAU OF THE MINT LEGISLATION

Mr. PROXMIRE. Mr. President, I wish to announce that the Subcommit-

tee on Financial Institutions of the Committee on Banking and Currency will hold hearings on Tuesday, May 2, 1967, on S. 1008, a bill to repeal the prohibition against mint marks on coins of the United States, and S. 1156, a bill to provide for the financing of the operations of the Bureau of the Mint, and for other purposes.

The hearings will commence at 10 a.m. in room 5302, New Senate Office Bulding.

Persons desiring to testify or to submit written statements in connection with this bill should notify Mr. Matthew Hale, chief counsel, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, Washington, D.C., 20510; telephone 225–3921.

## NOTICE OF HEARINGS ON S. 1155 TO AMEND THE EXPORT-IMPORT BANK ACT OF 1945

Mr. MUSKIE. Mr. President, I wish to announce that the Subcommittee on International Finance of the Committee on Banking and Currency will hold hearings on May 16, 1967, on S. 1155, a bill to amend the Export-Import Bank Act of 1945, as amended, to shorten the name of the bank, to extend for 5 years the period within which the bank is authorized to exercise its functions, to increase the bank's lending authority and its authority to issue, against fractional reserves, export credit insurance and guarantees, and for other purposes. The hearings will commence at 10 a.m. in room 5302, New Senate Office Building.

Persons desiring to testify or to submit written statements in connection with this bill should notify Mr. Matthew Hale, chief counsel, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, Washington, D.C. 20510; telephone 225–3921.

## NOTICE OF CHANGE OF TIME OF HEARINGS ON SENATE BILL 1321

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate that the hearings scheduled on the North Cascades National Park proposal, S. 1321, on April 24 will begin at 9:30 a.m., instead of 10 a.m. as previously announced.

This schedule change has been necessary because of a conflict in our committee program.

## PRESIDENT JOHNSON'S LEADERSHIP FOR HEMISPHERIC PROGRESS

Mr. MANSFIELD. Mr. President, the Summit Conference at Punta del Este has been the most important and productive meeting of its kind ever held in this hemisphere. It has provided 250 million Latin Americans with good reason to feel hopeful about their futures. And it has created closer understanding and trust between each of the 20 Latin American countries and the United States.

The Congress and the American people warmly applaud President Johnson. The President demonstrated warm understanding and firm resolve in urging the conference to embrace realistic goals to meet hemispheric problems.

The world has learned that summit meetings often end in idealistic rhapsodies that inevitably prove to be disappointing, if not meaningless.

But there was no such euphoria evident at Punta del Este. President Johnson, joined by the other Chiefs of State of this hemisphere, led the way toward realistic appraisals and objective goals for the long, difficult road ahead.

President Johnson helped to provide the keynote around which the work of this conference revolved. This keynote was based on a very uncomplicated idea—namely, that progress is self-generating, and that Latin American self-help, not American aid, will make the difference in realizing progress for the entire hemisphere.

The United States did not go to Punta del Este as a rich uncle benevolently meeting with poor relations. We went as trusted and proven friends, strongly committed to progress and security for every nation in this hemisphere.

This administration is doing its share in Latin America. President Johnson has increased Latin American aid 35 percent since assuming the Presidency. And he is known in Latin America as a trusted and loyal friend.

I believe that what Punta del Este produced is exactly what the hemisphere needs: that is, the means to achieve equality in world markets, power sources, and transportation systems—as well as more food, education, and technology.

But, most important, the conference took a giant step toward true hemispheric interdependence and cooperation. And this may be one of the most significant occurrences in the long history of Latin America.

The heads of state affirmed this vital principle of interdependence. They declared that economic integration is a primary goal for the hemisphere.

They recognized the need for sustained effort to build networks of interconnecting transportation systems, power systems, river basins, frontier regions, and economic areas.

These multinational projects aim to harness the vast and untapped human and material resources of Latin America for the common good of all.

These projects will bind the nations of this great hemisphere in sharing transportation, power, and water development.

These projects will help to expand trade and intensify the modernization of agriculture and education.

These projects will create new solidarity and trust between Latin American nations and will further create new social and political stability.

And they will pave the way toward the development of a common market that will be initiated by 1970 and will be functioning by 1985.

For his part, President Johnson assured the Latin American Presidents that United States will do its share in assisting hemispheric economic integration.

He recommended additional support for the Inter-American bank to help plan multi-national projects. He affirmed our readiness to explore with other industrialized countries the possibility of temporary preferential tariffs for developing nations.

And he declared our willingness to expand assistance to Latin American nations, particularly in education, agriculture, health, nutrition and technology.

The President rightly noted that the second phase of the Alliance for Progress is now underway. This phase seeks to modernize Latin American industry and bolster under-financed agriculture and education.

I can assure the President that we all stand with him in the work ahead for Latin American progress. We are greatly encouraged by what the Alliance has accomplished thus far. And we have learned that serious and determined efforts to promote Latin American progress can succeed in creating new opportunities for the entire hemisphere.

We know what we must do. The agenda composed at Punta del Este is as clear as it is formidable. At stake is the welfare, freedom, and security of the Latin American people. We must not, and cannot, fail.

For as President Johnson told the conference:

> We no longer inhabit a New World. We cannot escape from our problems—as the first Americans could—in the vastness of uncharted hemisphere. If we are to grow and prosper, we must face the problems of our maturity. And we must do it both bodily and wisely—and we must face them now.

Mr. President, I ask unanimous consent to have printed in the RECORD a sampling of editorial opinion on the success of the Punta del Este conference.

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

[From Newsday, Apr. 13, 1967]

TOWARD A COMMON MARKET

A common market to serve the nations of Latin America awaits the certain approval of 18 chiefs of state gathered with President Johnson at Punta del Este. The deadline date is 1970, with complete implementation hopefully by 1985. Within the framework of a common market, and with the financial help of the U.S., Latin America may ultimately achieve its dream of stable prices for its raw materials and for its industrial products. The U.S. should certainly achieve what has long been its good neighbor goal, a financially healthy, cooperative Latin American community capable of standing on its own feet.

The common market concept originated in Europe in 1957 when Belgium, the Netherlands, France, Italy, Luxembourg and West Germany pledged themselves to the gradual establishment of a common tariff system, free movement of labor and capital, and the development of joint policies on labor, social welfare, agriculture, transport and foreign trade.

For Latin America, the concept will be modified to make use of two existing agencies, the Latin American Free Trade Area, comprising all South American nations and Mexico, and the Central American Common Market, comprising all nations in that area. The U.S. is in continuing contact with these two agences, though the bulk of its $1.3-billion annual Alliance for Progress aid is distributed nation by nation.

There are bound to be delays and difficulties in implementing the common market principle over a multinational continent, and patience will be needed to work out the problems that arise. Most Latin American countries are "one-crop" countries. Care will be required to make their agricultural outputs complementary. Similarly, industries will have to be complementary. The market is

not sufficiently big to permit the sort of competition that exists in the U.S.

The main point, however, does not revolve around the difficulties that may arise. The main point is that a beginning has been made, which may hopefully foreshadow the end result, a hemisphere common market, including the U.S. and Canada, devoted to free trade.

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[From the Chicago Daily News, Apr. 15, 1967]

CANDOR AT THE SUMMIT

The summit agreement reached at Punta del Este is remarkably frank in its acknowledgment that Latin America has far to go before it can be counted among the developed regions of the world. The 18-year timetable for the creation of the Latin Common Market emphasizes the magnitude of the task and the patience that will be required to see it through.

In setting such long-term goals the conferees were more realistic than those who forged the Alliance for Progress at the plush Uruguayan resort in 1961. The trouble with the alliance is not that it has achieved only moderate success, but that it led too many people to believe that a miracle might be accomplished in a short time. Though President Johnson called upon his Latin counterparts to "declare the next 10 years the decade of urgency," he made it clear that he was not setting a termination point on U.S. participation.

The unmistakable impression he conveyed—that future U.S. aid would be based on the performance of the Latins in meeting their own economic and social problems—did not encounter any significant resistance. As President Fernando Belaunde of Peru observed, it was only right that the United States should desire to "see sacrifices here parallel" its own.

What many Americans and Latins fail to grasp is that U.S. aid, even at its most generous, has never surpassed more than 2 per cent of Latin America's gross national product. It is not to be scoffed at and it does at times play an important role, but it remains only a drop in the bucket compared with what the Latins themselves must produce for their development.

The willingness of the United States to continue doing its bit should bolster the resolve of the Latins to step up their own pace to improve economic and social conditions. So should the President's pledge to study the possibility—a rather remote one—of granting the Latins preferential trade treatment.

What the summit achieved concretely is perhaps not as important as the spirit of co-operation that it fostered among all of the conferees. A few years ago, such a gathering by Latin chiefs of state to discuss common problems among themselves and with the President of the United States would have been next to impossible.

A hopeful note has now been struck on several sticky problems, but it has been muted by the sobering realization that much more remains to be done.

This applies not only to the items that came up on the official agenda but to several that did not. One of them is devising ways and means to curb Latin America's population explosion. Solving that problem will call for the utmost co-operation between the United States and Latin America.

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[From the Washington (D.C.) Evening Star, Apr. 15, 1967]

PUNTA DEL ESTE SET A PRECEDENT WORTH FOLLOWING

(By Max Lerner)

The heads of state of the American nations, meeting at Punta del Este, set a precedent worth following in the future, in Europe and Asia as well as in the Americas. Regardless of anything concrete achieved or not, it is good for the men in the seats of power to meet as a group, and exchange hopes and fears, headaches, gripes, insults and likes. The foreign ministers can be counted on to do the gritty bargaining, including the headlocks and the grimy work on the wrestling mat. The Presidents should be specialized to spacious perceptives.

Maybe that's what President Eduardo Frei of Chile meant when he called the Punta del Este conference primarily a "philosophical" one. In that sense, one muses, the Presidents might have done better to leave some of the swarming trade experts and security guards behind and take some philosophers along with them.

For it becomes even clearer, despite the brave words and hopes about the Alliance for Progress, that the pace will have to be faster, the thinking sharper, and the action more drastic than it has been thus far in the 1960's if the Latin-American countries are to move into the last third of the century on their own, not as dependents of the powerful giant to the north of them.

To do this involves three things: The economic means, the political will, the intellectual working conceptions. Assume that the economic means are there, in the form of American aid, massively given thus far in the history of the Alliance for Progress and also committed for the future—despite the Fulbright shenanigans about having the American Senate play it coy.

The political will must come from the heads of state and the new generation of politicians and technicians who they have recruited as an elite. The remarkable thing about the conference on this score is that most of the heads of state attending it are not caudillos or demagogs or stuffed shirts (sadly there are exceptions to this), but serious men—whether Left, Right or Center—who know that economic aid does little good unless it becomes part of a strong political and social fabric.

This brings us back to intellectual working conceptions. It isn't enough any longer to talk darkly about how the Communists will take over if the democratic regimes don't anticipate the reforms that the Communists promise. This is true enough as a fact. But the fear of the Communist specter, while it may be a prod to action, doesn't furnish a guide to action.

To formulate an adequate guide to action the American heads of state will have to face several hard facts of life. One is that the Alliance for Progress has thus far used up in economic aid a sum roughly two-thirds of what the United States contributed to the Marshall Plan in Europe, and with results far short of the European results. Another is that, however much the United States may increase its aid, the fact of the massive power and affluence of America remains as the overshadowing fact of the hemisphere.

The final fact is that the effort of pouring in aid is bound to be an empty and frustrated effort so long as the growth of population in the southern nations pursues the galloping pace that is true of it right now. If the 230 million people in the countries to the south of the United States become, as the present projection suggests, 600 million at the end of the century, it may stir the pride in sheer magnitudes on the part of some of the Latin leaders. But it is also bound to make any calculable economic growth an empty thing, and consume the seed-corn of social and economic advances.

What new working conceptions do these harsh facts suggest? One certainly is a new intellectual and moral climate which, with the help of the Catholic church and the medical profession, will make family planning the first order of business. The fact that an international conference for population control was being held in Uruguay simultaneously with the conference of the heads of state may be earnest of the will to take this kind of action.

Another working conception is for the Latin-American intellectuals to stop thinking words and start thinking things. Words like "socialism," "capitalism," "imperialism," have worn their usefulness thin. What is needed is thinking about where new investment will come from, how it will be encouraged, what controls will be exerted over it. This is what the Europeans have done since the end of World War II in a hard pragmatic way, and it has yielded results.

The final working conception is not so much to get rid of nationalism, which is an empty rhetorical flourish at a time when there is so much pride in the new national identity, but to find ways by which nations can collaborate on common goals. Colombia and Eucador are showing it can be done. The United States is willing to help multinational projects. The idea of a South American Common Market, which won't take form for years, is another step in this direction. But it is for the philosophers, even more than for the statesmen, to create the climate in which these new conceptions can flourish.

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[From the New York World Journal Tribune, Apr. 16, 1967]

HELP AND SELF-HELP

The American summit at Punta del Este produced more generalities than concrete results. But the generalities were important.

If there was a key statement in the debates among the American presidents, it was Mr. Johnson's:

"The assistance of my nation will be useful only as it reinforces your determination and builds upon your achievements—and only as it is bound to the growing unity of our hemisphere."

This assertion met with general approval among the heads of the Latin-American states and was reflected in the final documents. Some of the presidents may have had reservations, but only President Arosemena of Ecuador expressed them openly. He wanted more assistance from the United States, and fewer conditions. But this was not only, as President Arosemena was bluntly told by his colleagues, unrealistic. It was wrong.

In the Latin-American countries, most of them still in their industrial infancy and bound by the habits of an agricultural society, the United States could pour billions without appreciably bettering the lot of the average man.

And the billions of the United States are not unlimited.

The whole idea of the Alliance for Progress was help—and self-help. It calls for social reforms, economic progress and political equity. It calls, too, for global arrangements about markets and tariffs.

The biggest forward step taken at Punta del Este was the adoption of the idea of a common market—a highly complex project, given the diversity of Latin America and its present reliance upon the sale of agricultural and mineral commodities. This idea may never be realized in the integrated form that the European common market has attained, but something like it is essential if the whole hemisphere is to prosper.

The sum of the discussions at Punta del Este is that the United States cannot buy off communism or chaos in Latin America. But all the nations of the hemisphere can, by working together, bring a new era to their peoples.

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[From the Atlanta Constitution, Apr. 13, 1967]

COMMON MARKET FOR LATINS

The 20 nations of Latin America have agreed in principle on ways to establish a functioning Latin-American common market no later than 1985. Most of it will be accomplished long before then, according to heads of state meeting in Punta del Este, Uruguay, site of the signing of the Alliance for Progress.

The agreement is likely to be the major achievement of the conference, attended by President Johnson. The President is faced with Latin American demands which he has to oppose because he lacks blanket approval from the United States to increase U.S. commitments, a major blow to U.S. participation in the conference.

Agreement to form a Latin American common market during the coming decade was reached by hemispheric foreign ministers last month at Buenos Aires. Barring last-minute changes, the 20 chiefs of state are expected to announce general agreement on the need for a common market and on other agricultural, educational, medical and scientific reforms that the United States will support without specifically joining the trading organization.

Measures that the chiefs of state are expected to approve include the creation of a monetary union and perfection of a customs process of free movement of capital in the area and the realization of a common policy on external commerce.

Economic integration has been in the background in Latin America since 1961 when both the Latin-American Free Trade Association and the Central American Common Market began operating. The latter has been outstanding, laying the groundwork for a similar development in the entire hemisphere.

Out of the meeting is expected to come a stepped-up timetable for economic cooperation. At present, trade between Latin America and nations outside the hemisphere is greater than trade among themselves. This the Latin Common Market is expected to remedy.

Latin America, whose population growth is the greatest in the world, is potentially self sufficient if economic growth can be accelerated. It cannot be so, however, in a continent divided into 20 more or less small republics going their separate ways. That is the really significant aspect of the Punta del Este conference. Free movement of capital and labor between member countries and ultimately a common currency are the urgent objectives in achieving peace and prosperity for the entire continent.

## MILWAUKEE JOURNAL AND AIA URGE WEST FRONT OF CAPITOL BE RESTORED, NOT EXTENDED

Mr. PROXMIRE. Mr. President, the recent report by the American Institute of Architects, recommending that the west front of the Capitol be restored, was welcomed with open arms by many of us who shuddered at the prospect of a Rayburn building type of extension marring the beautiful facade of this historic structure. As an excellent editorial in the Milwaukee Journal of April 14, points out, the report also recommends that a permanent body of architects, engineers, and planners be named, whose function would be long-range planning on Capitol Hill.

The alternative to this suggestion is the continued leadership in architectural matters of a man who already has spent far too much of the taxpayer's money on Capitol Hill buildings of questionable esthetic and practical value. As the editorial indicates, George Stewart, the Capitol Architect, who is not a qualified architect in the accepted sense of the word, was the guiding hand behind the Rayburn Building—a castle on the Potomac whose cost was originally estimated at $20 million and which ended up requiring one-tenth of a billion dollars for final completion. A recent report by the General Accounting Office indicates that 1,450 contract changes costing approximately $8 million had to be made in this structure. One such change reduced the walking distance from the Capitol end of the subway to the elevators in the Capitol by about 80 feet at a cost of $665,000.

There is absolutely no doubt in my mind that any attempt to extend the west front would be a repeat performance. Estimated to cost $34 million at this date, it would undoubtedly end up costing well over $100 million. Furthermore, the cost in esthetic values destroyed would be incalculable.

I hope that Congress will heed the advice of the AIA and the Milwaukee Journal. It makes good sense to put the experts in charge of the historic structures in which we make the laws of the land. By naming a special board of architects, engineers, and planners we would be letting the Nation know that Capitol Hill construction and renovation is too precious a charge to be left in the hands of the amateurs.

I ask unanimous consent that the Journal editorial be inserted in the RECORD at this point.

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

NOW COME REAL ARCHITECTS

George Stewart, who bears the title of capitol architect without being an architect, has set some notable records even for Washington. His prize, perhaps, was the Rayburn house office building. Original estimates placed its cost at $20 million. When Stewart and others got through, the best guess is that it cost about $93 million.

Last year Stewart reported that the west front of the capitol was in danger of falling down. He wanted to rebuild it, extend it 44 feet and incorporate two restaurants, a cafeteria, conference rooms, tourist rest rooms and storage space. He got the strong backing of House Speaker McCormack (D-Mass.) and Senate Minority Leader Dirksen (R-Ill.), although another such wholesale attack on the capitol had already destroyed some of its original beauty on the east front.

Now the American Institute of Architects comes forth. It had named a five member task force, which spent five months going over the capitol building "from attic to basement." Its conclusion: "The west front should be skillfully restored as it now stands." It can be restored at a cost tremendously less than the project Stewart says would cost $34 million. And it would faithfully retain the capitol front in its original beauty. If additional modern space is needed it should be provided elsewhere.

That all sounds sensible. And so does this other comment of the institute report: "Certainly the capitol and nearby areas are of sufficient import to justify a permanent body of architects, engineers and planners whose only function would be long range planning of all construction on Capitol Hill, including new buildings that will probably be needed."

At least that would keep Stewart from continuing to ride about in all directions with plans to destroy heritage buildings.

## AFRICAN COUNTRIES HAVE TAKEN STRONG STAND BY RATIFYING HUMAN RIGHTS CONVENTION ON SLAVERY—LV

Mr. PROXMIRE. Mr. President, the Ad Hoc Subcommittee of the Committee on Foreign Relations is presently deliberating the Human Rights Conventions on Forced Labor, Political Rights of Women, and Slavery.

The proponents of Senate ratification of the Human Rights Conventions are hopeful that the subcommittee will soon favorably report these three conventions to the full committee. We all hope that the full committee will then act with dispatch and favorably report these three conventions to the full Senate.

The Supplementary Convention on the Abolition of Slavery, signed at Geneva September 7, 1956, has never been ratified by the United States.

The United States was party to a treaty 105 years ago which had as its objectives the elimination of the African slave trade. Yet, in 1967, when slavery is increasing rather than decreasing, the United States has continued to ignore our proud national record in the crusade against slavery.

Sixty-eight nations have ratified the Convention on Slavery. Every permanent member of the Security Council has ratified the Convention on Slavery—except the United States. Every charter member of the United Nations has ratified the Convention on Slavery—except Bolivia, Uruguay, the Union of South Africa, and the United States.

Mr. President, Africa has been historically the bloodiest marketplace of human bondage. Men, women, and children were sold as cattle or hogs were sold, banished into centuries of servitude through the cruel avarice of both men of their own race and men of other races.

The newly independent nations of Africa carry this tragic history with them to the present. Slavery to them was a gory reality. Their resolve is strong that the last vestiges of human serfdom must be totally eradicated.

Two or three days ago I put into the RECORD the documentation of the increase in slavery involving hundreds of thousands of people—the substantial increase in slavery in recent years and the widespread existence of slavery today.

The following African countries have ratified the Convention on Slavery: Algeria, Ghana, Malawi, Morocco, Niger, Nigeria, Sierra Leone, Sudan, Tanzania, Tunisia, Uganda, and the United Arab Republic.

The United States should have no less firm resolve to eradicate absolutely slavery from our world. The Senate can strengthen our national record and reestablish our national commitment by ratifying the Convention on Slavery, after the treaty has languished in the Committee on Foreign Relations for 4 years now, without action.

## TRUTH IN LENDING URGED BY WISCONSIN ATTORNEY GENERAL LA FOLLETTE

Mr. PROXMIRE. Mr. President, on Tuesday, April 18, the brilliant and able attorney general of the State of Wisconsin, the Honorable Bronson La Follette, testified before the Subcommittee on Financial Institutions on S. 5, the Truth in Lending bill. There has been no more convincing or persuasive statement on this bill in the 6 years the committee has held hearings on truth in lending.

Attorney General La Follette indicated why this legislation will benefit the American people. He also established beyond a doubt that there is no conflict between Federal disclosure legislation and the separate credit statutes and regulations of the States. As one of the ablest attorney generals in the country, Mr. La Follette saw no problem with Federal action on truth in credit and, in fact, urged that S. 5 be speedily adopted.

Mr. President, I ask unanimous consent that Attorney General La Follette's fine opening statement be inserted in the RECORD.

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

STATEMENT BY BRONSON C. LA FOLLETTE, ATTORNEY GENERAL OF WISCONSIN, BEFORE THE FINANCIAL INSTITUTIONS SUBCOMMITTEE OF THE SENATE COMMITTEE ON BANKING AND CURRENCY, IN FAVOR OF BILL S. 5, THE TRUTH-IN-LENDING BILL, APRIL 18, 1967, WASHINGTON, D.C.

President Kennedy, President Johnson and the 1965–66 Consumer Advisory Council, of which I was a member all have emphasized the four fundamental rights of the consumer—the right to be safe, the right to choose, the right to be heard and the right to be informed. Enactment of Bill S–5 would materially protect the consumer's right to be informed in the purchase of commercial credit.

The "poor pay more" is a phrase heard with much urgency today. It is a truthful phrase: low income families do pay more for virtually everything and particularly in credit costs for buying things on time or for personal loans. Low income families have no choice but to accept these abnormally high costs for credit since they are either unable to qualify for credit from other sources, especially commercial banks, or they simply don't know what their other choices could be. These facts alone demonstrate the urgent need for the adoption of Bill S–5.

But low income families are not alone. The average consumer does not have the information he needs to know if he is getting the best buy for each credit dollar. The absence of basic information about credit, particularly about interest rates creates confusion in the mind of the consumer. Without this basic information, he is seldom able to determine what the interest rate is or to compare the rate with other available rates.

The cost of credit, when the facts are known, is shockingly high. Study after study has shown that for most kinds of consumer credit the equivalent annual interest rates can be as high as 30% or more. There is hardly a person in America who has not bought something on credit: an appliance, an auto, or a personal loan to pay off some accumulated debt.

It is well-known that the growth of consumer credit has been a new dynamic element in the high level performance of the American economy in the recent past. In the past six years, (1960–1965), for example, total consumer credit has increased from $56 billion to $87.9 billion, a 60% increase in 5 years. Disposable personal income and GNP increased by comparable amounts during the same period. In 1945 consumer debt was $6 billion or 1/40 of the Federal debt. In 1965 consumer debt was ⅓ the size of the Federal debt. In terms of disposable income, consumer credit rose from 10% in 1950 to 18% in 1965. In 1961 total consumer credit was slightly above 10% of GNP and in 1965 13% of GNP. It is clear that in recent years the magnitude and importance of consumer credit to the performance of the American economy has been substantial. Few of our citizens know what credit has cost them. Furthermore, few of them knew what alternative credit opportunities were available.

What is needed is a standard of comparison which consumers of credit can use so it will be possible to "shop for credit" and to get the most of a credit dollar. To "shop for credit" requires that the information on credit costs given to the consumer be truthful, standardized, and meaningful. Of equal importance, the consumer must be made aware of available credit opportunities and their respective costs. We cannot fully expect that all consumers will make better decisions if they have such information. But with education and open publicity of credit costs it is certain that many consumers will for the first time "shop for credit" in earnest. What is fundamental is that the consumer have the option of being able to compare credit costs and know what alternatives are available. At this time our citizens are denied these options.

In the spring of last year the state of Massachusetts took the lead among the states by enacting the first fully effective lending disclosure law. The main argument that has been raised against truth-in-lending laws has been that they are unworkable; that they will only create additional complexity in engaging in the business of merchandizing credit.

I am happy to be able to state that this argument has been refuted by the experience in Massachusetts since their law became effective. Mr. John P. Clair, Deputy Commissioner of Banks and General Counsel of the Massachusetts Banking Commission in a letter dated March 13 to the Special Assistant to the President for Consumer Affairs, forwarded to me, stated, and I quote:

"I am happy to report to you that the implementation of the legislative purpose expressed in the new Massachusetts statute on Truth in Lending has met with an unusual and unexpected measure of success. The allegations made by those who opposed the principle of truth in lending, on the ground that it was completely unworkable, have been proved beyond doubt to have been in error. We are encountering no difficulty from the lending agencies of this Commonwealth. As a matter of fact, the reverse is true. I think it a fair statement to say that the banking interests at every level are co-operating in every possible way, and that as a result thereof, the public interest is being substantially served."

I am also happy to report that at least 9 states have either enacted or considered similar lending disclosure measures including Arizona, Georgia, Maryland, Michigan, Rhode Island, Vermont, Washington, West Virginia, and Wisconsin.

Every Consumer Advisory Council since 1962 has strongly endorsed Federal truth-in-lending legislation. The Consumer Advisory Council for 1966 was no exception. We adopted a resolution which read, in part, and I quote:

"Whereas, widespread misrepresentation of interest rates, vaguely worded credit contracts, unscrupulous repossession methods, trick balloon payment clauses, high pressure door-to-door selling tactics, unconscionably high rates for credit, unregulated services by debt consolidation companies, and severe garnishment laws, to name but a few, all can and do work severe hardships on consumers;

Therefore, be it resolved, that the Consumer Advisory Council again emphasize the necessity of legislation to require Truth in Lending as a part of any effort to correct the Nation's credit ills.

To make effective comparisons of alternative credit opportunities consumers need to know five things:

"1. the selling price of the commodity if they pay cash or if they buy on credit.

"2. the dollar amount of finance charges, service charges, add-ons, other fees, etc., should be segregated from the actual or pure, interest charges.

"3. the size and number of monthly payments.

"4. the computational method and the interest rate used to calculate finance costs.

"5. the effective finance, or interest rate on an annual basis."

Each of these five types of information make comparison of alternatives possible but none by itself can serve effectively and efficiently as a single standard.

A recent study by the National Bureau of Economic Research examined each of the five standards to assess their single usefulness. The conclusion reached in the study was that for some comparative uses one of the five would be adequate but the exceptions were so great and the variance so wide that the author of this study concluded that all five sources of information were necessary as a standard.

The unscrupulous merchant and lender will object to these disclosures however basic they are to good decisions by consumers. But clearly such lenders are in the minority in America. Reputable lending institutions and other businessmen should welcome the opportunity to deal with well-informed consumers as they have in Massachusetts.

A Truth in Lending bill is necessary and just. It will assist materially in the elimination of deception and fraud in the everyday transactions that affect all our citizens. But Truth in Lending must be reinforced by consumer education and the businessman, consumer and state government should share in this educational effort.

Consumers should be provided with interest rate tables, conversion tables, pamphlets on the structure and availability of credit opportunities. Furthermore, all lenders should be required to provide consumers of credit with a synopsis of the Truth in Lending bill, setting forth the procedure for filing complaints.

Opponents of this bill will argue that any lending disclosure legislation is an unwarranted intervention in our markets and a violation of our free enterprise system.

I totally and emphatically disagree. Our open market—free enterprise system is predicated on the principle that the most efficient allocation of our resources will be made when buyers and sellers make their decisions to purchase on the basis of their own informed self-interest. If they are misinformed or uninformed then they cannot give their patronage to the most efficient producer. A misallocation of our natural resources results.

In sum, the free-enterprise market theory presumes and requires that all buyers and sellers be fully informed in order that their decisions to purchase or sell be made intelligently. It is entirely proper for government to bolster our free-enterprise system by enacting legislation which will enable consumers to make their purchasing decisions intelligently. Bill S–5 would require full disclosure of lending costs and thus promote the intelligent purchasing of credit. Bill S–5 is fully in accord with our free-enterprise system.

In conclusion, Bill S–5 will protect consumers from fraudulent practices and enable the consumers to intelligently shop for credit. It will provide the consumer with a base upon which to make intelligent purchasing decisions. I give Bill S–5 my full support and urge the committee to recommend its prompt enactment.

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## WITH RUSSIA AND CHINA UNITING CAN THE UNITED STATES WIN THE WAR IN SOUTHEAST ASIA?

Mr. GRUENING. Mr. President, yesterday I placed in the RECORD two very disturbing articles, one by Walter Lippmann and one from U.S. News & World Report, indicating that Russia and China have gotten together at least for a united effort in helping the Vietcong

and their North Vietnamese allies in the war against the forces of the United States. This serious development forecasts to those of us who have been opposed to our military intervention in southeast Asia and should also to those who support that policy, a war of indefinite duration at staggering losses, with victory nowhere in sight.

For some time there have been differences of opinion among those who help shape our policy between those who wish to fight a limited war, as President Johnson has up to now advocated, and those who want to go all-out for a so-called win-the-war policy.

It has been my view that there is nothing in this war that we can really win, using that word in terms of the great losses in blood and treasure which we will increasingly incur for no good result but I have always been willing to assume that our most powerful nation on earth could mobilize enough strength by sea, land, and air to annihilate most of the peasant people we are fighting, lay their country waste, transform it into a desert and thereby achieve something that could be termed a military victory. But even that is now extremely doubtful in view of the new Sino-Soviet entente as far as the war is concerned.

It is noteworthy that so perspicacious an observer and commentator as Joseph Kraft, who is now in Vietnam, where he has been before, in his column in this morning's Post, says:

I do not share, with so many of the promoters of the war, confidence that a military victory is in sight.

And he adds:

I still wonder whether a military decision can be reached at all, short of means likely to widen the war.

Widening the war still further would undoubtedly mean the entry of China and possibly of Russia and escalating mankind into a third world war. For those of us who oppose the folly of our military intervention in southeast Asia and have long forecast the probability of such a disaster, it now looms up more formidably and more menacingly in the light of the news that Russia and China have patched up their differences at last to the extent of working together to support the Vietcong and their North Vietnamese allies. It is a frightening prospect and justifies far greater efforts than have been made to put a stop to this folly, and explore other methods of extricating ourselves from the mess into which successive administrations have needlessly gotten the people of the United States.

Pertinent, too, to this discussion is a perceptive column by Marquis Childs which points out the essential differences between U.S. intervention in Greece after the close of World War II, under the so-called Truman Doctrine, which is frequently cited by defenders of our course in southeast Asia as an example to follow and which justifies our military intervention in Vietnam. Mr. Childs exposes the fallacy of those analogies.

I ask unanimous consent that the two columns, "Security in Doubt" by Joseph Kraft and "Border Problems: Logic of Restraint" by Marquis Childs, from the Washington Post of April 19, be printed in the RECORD.

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

SECURITY IN DOUBT

SAIGON.—The first impressions of those of us who keep coming back to Vietnam provide a continual reminder of the gap that at all times separates the mood of Washington from the mood of Saigon. And this time, I find the gap more sharply defined than ever.

In Washington there has been a general assumption that the military side of the war here is manageable. It has been almost a matter of form to pay tribute to the steady progress of the security forces.

But in Saigon there have always been doubts as to how much progress was being made, or could be made, on the military side. And now the emphasis here is heavily on the dark aspect of the war.

Vietnamese officials talk of a "grave situation." Vietnamese civilians cite cases of incipient panic in certain exposed towns. The American military assert the need for still more troops. And American civilians talk of "deteriorating security."

No doubt some of these worries are exaggerated. They seem to flow in large part from the spectacular success the other side has enjoyed in such operations as the seizure for several hours of the provincial capital of Quangtri.

That kind of success depends upon an increase of enemy forces in the area just south of the demilitarized zone which divides North Vietnam from South Vietnam. And that is a condition which can be remedied. Indeed, the balance has probably been righted already by the dispatch of more American troops to the beleaguered areas.

Far more vexing is a pattern of small night actions too petty to prick the consciousness of Washington but very much a subject of concern in Saigon. Here are a couple of samples drawn at random from communiques over the past two weeks:

"At 0540 hours the 25th Infantry in Huanghia Province took about 40 rounds of 57 millimeter and 75 millimeter recoilless rifle fire. Three infantrymen were killed and 20 wounded. A reaction force is pursuing."

"At 2325 hours yesterday, the forward command of the 173rd Airborne Brigade, 27 kilometers southwest of Anloc in Binhlong Province, was hit by 20–30 rounds of enemy mortar fire. The enemy ended the attack at 2335 hours. Three troopers were wounded. Enemy casualties are unknown."

These operations represent classic examples of guerrilla action. They feature small units launching, under cover of darkness, attacks of 10 or 15 minutes and then melting into the night.

While not spectacular, these actions are significant because they define the limits of what American troops can do. The fact is that American troops have only got hold of about half the war—the half that has to do with daytime operations by relatively large units.

Nighttime operations by small units around low priority positions have to be the work of South Vietnamese forces familiar with local conditions. But it appears that the more American troops undertake, the less South Vietnamese forces do.

According to reports here, they are not constantly patrolling through the night hours. They are not defending many of the hamlets assigned to their care. They are leaving much of the field to the other side.

In those conditions, the local population has great difficulty in resisting the pressures and appeals of the enemy. And it is not surprising that most of the recent success of the other side, whether large or small, have involved help from the local population.

But once again, the winning over of the local populace is not something American forces can do. It is, almost of necessity, the responsibility of the government and army of South Vietnam.

Thus my first impression on this trip to Vietnam is that basic security has still to be established in much of the country—a condition which leaves major elements of the population open to the other side. I do not share, with so many of the promoters of the war, confidence that a military victory is in sight. I still wonder whether a military decision can be reached at all, short of means likely to widen the war.

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BORDER PROBLEMS: LOGIC OF RESTRAINT

The purple rhetoric pouring out of the 20th anniversary of the Truman Doctrine for Greece and Turkey conveniently ignored one historic fact of the first importance. American military and economic aid and the 600 American military advisers who went to Greece were vital in ending the Communist-led rebellion.

But if Tito had not closed the Yugoslav-Greek border beginning in the early summer of 1949, the war would have gone on much longer and at a much greater cost. It could have been indefinitely prolonged with help from the neighboring Communist powers moving across a mountainous and ill-defined boundary line. And lurking in the background as the war went on would have been the danger of a wider conflict transformed by the introduction of more American "advisers."

This is where ardent supporters of the Administration's policy in Vietnam strain historical analogy to the breaking point when they equate the war in Vietnam with the Greek war. There is slight basis for comparison.

In the Vietnam war two open borders are a standing invitation to a larger war. How either of these two borders can be closed to a flow of military materiel is not foreseeable.

Across the first border, between North and South Vietnam with the demilitarized zone intervening, come regular North Vietnamese units. Despite more than two years of bombing, this flow has been impeded but never really checked. The units crossing the DMZ and moving into South Vietnam have recently taken part in some of the heaviest fighting of the war. North Vietnam has one of the best trained armies in Asia and only a fraction of that Army is as yet committed.

The second border is that between North Vietnam and Red China. This border takes on added importance in view of reports that Peking and Moscow have settled their differences over the transit of military materiel from the Soviet Union. If these reports are correct, shipments from the Soviet Union to North Vietnam will increase. Chinese work cadres up to a total of 50,000 are reported in North Vietnam today.

The logic of the restraint applied by the President and Secretary of Defense Robert S. McNamara is plain enough with respect to this second border. McNamara says that the Mig bases in North Vietnam will continue to be off limits for American bombers. If those bases were destroyed the Migs would shift to already prepared bases not far distant in China. The pressures would quickly grow to hit them there and the dimensions of an open-end war would no longer be in doubt. Glib assurances that China's internal troubles are so grave Peking could not possibly send in the same waves of "volunteers" as in Korea must be regarded with suspicion. An invasion of North Vietnam, called for by South Vietnamese Premier Nguyen Cao Ky, would be very likely to bring a massive response from China.

Whatever weight may be given to the military view, Yugoslavia's action announced by Tito on July 10, 1949, was a political development of inestimable importance. Prior to that move the Greek guerrillas when hard-

pressed could move into the Yugoslav sanctuary for rest, regrouping and re-equipment. Beginning in mid-1948 rumors of volunteers from the Communist satellites constantly circulated, although this threat was apparently never carried out. Rebellious Greeks were recruited and trained in camps in Bulgaria and Albania.

Tito's bold, courageous action in publicly breaking with the Cominform in 1948 prepared the way for much that has happened since. Even while the Stalinist grip was harshest he showed that a declaration of independence did not necessarily mean annihilation. American policy encouraged this independence with aid.

American aid to Greece beginning in 1946 and through '49 was $818,000,000 of which $345,000,000 was military. Without that help the odds were high that Greece would have become another Soviet satellite. But with the aid went a barrage of rhetoric on the menace of communism and the familiar invocation of freedom, so often equated as freedom for those in power. In Greece it was the Royal family and the wealthy elite.

As for Vietnam, after the Geneva accords in 1954, hope was held out that Ho Chi Minh in the North would be another Tito anxious to establish his independence from China. But when John Foster Dulles proclaimed South Vietnam a bastion of freedom to be defended by the United States, that slender hope vanished.

## CHARLES F. LUCE'S FINE ADDRESS ON ALASKAN MATTERS

Mr. GRUENING. Mr. President, an extremely thoughtful and interesting speech is being delivered today by Under Secretary of the Interior, Charles F. Luce, at the Anchorage Workshop of the Pacific Area Travel Association.

I ask unanimous consent that this speech be printed in the RECORD.

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

When John Black, Director of the United States Travel Service, asked me to speak here today, I accepted before you could say "Alaska Centennial." I bring to those of you who make your home in the magnificent 49th State warm wishes and congratulations on this anniversary year of the Purchase of Alaska from Russia.

There is, I think, some inspired humor in the name of one of your centennial attractions, "Seward's Follies." For Alaska soon put to shame the originators of the Seward's Folly libel. The fabulous wealth of Alaska—scenic grandeur, land, water, mineral, timber, fish and wildlife resources—becomes more apparent with every passing year.

You members of the Pacific Area Travel Association and of the Alaska Travel Division need no reminders of this. The State's attractive and informative centennial brochure is a real hit. The stack of folders in the general inquiries office of the National Park Service is a best seller.

Alaska's tourist economy, I understand, owes much to the Pacific Area Travel Association. In the decades to come, PATA will figure even more prominently in the travel picture. The development of PATA since the 1940's illustrates two types of cooperation: the cooperation of private enterprise and government and the cooperation among nations of the Pacific community. This workshop is an example of your vigor and vision. Its benefits will be reflected, I hope, in the 16th annual PATA conference which the United States is privileged to host this year at Seattle, starting next Monday.

The Alaskan who said this State is a king-size Texas was not guilty of overstatement. Here you have remarkable centennial celebrations going on in places separated not by hundreds but by thousands of miles—all in the same State. I would like to see them all—in Anchorage, Juneau, Fairbanks, Nome, Sitka, Barrow and a dozen other places, and especially the reenactment October 18 of the actual transfer ceremony at the old Russian capital of Sitka.

To most people, Alaska means the clean outdoors of the Far North, Arctic landscapes, clear waters, Kodiak bears, Eskimos, and magnificent scenery. Alaska has the ring of adventure and romance. It is the last frontier. Times have changed since James Oliver Curwood, Jack London and Robert Service wrote about Alaska and the Yukon, but let's hope Alaska never loses its flavor of romance and adventure.

Much of the charm of Alaska to the tourist lies in its naturalness—its wildness. And it is imperative that Alaska retain the integrity of its landscape and its native culture.

I do not mean to suggest that all of Alaska should remain forever a wilderness. If Alaska's vast natural resources are to be fully developed for the common good, there must be some change in some parts of the landscape. But Alaska does have a unique opportunity to learn from the mistakes of former frontier States. We would do well to remember President Johnson's counsel:

"The beauty of our land is a natural resource. Its preservation is linked to the inner prosperity of the human spirit."

Nature gave Alaska its wealth, its magnetic appeal and much of its charter. Its people have given it strength, power, imagination and the progress of a free society. Together, they make the 49th State the incomparable State.

When speaking of Alaska's resources I cannot fail to mention its two veteran Senators in Washington. Senator Bartlett was the long-time promoter of statehood as Alaska's non-voting delegate in Congress during the last fifteen years of the territorial period and one of the principal architects of statehood legislation. In the field of substantive law, Senator Bartlett has left his imprint on the fisheries law which is so crucial to Alaska's economy, most recently in securing a seaward extension of our territorial limit to protect against the intrusion of foreign fishing operations. Senator Gruening served fourteen years as territorial governor and has used this vast store of experience to Alaska's great advantage during his more recent service as Chairman of the Senate subcommittee on mines and minerals. Acute in his analysis of mineral development needs, Senator Gruening has been a staunch advocate of incentive techniques to increase production of critical metals, many of which are found in this State.

Protecting its natural heritage is not incompatible with the great things in store for Alaska based on her enormous resources in minerals, fisheries and timber—resources that provide economic opportunity and incentive for investment.

I have seen estimates, for example, that Alaska's metallic and other mineral production can be multiplied 100 times—to an annual value of $2½ billion at today's prices. While there is less authoritative knowledge of Alaska's mineral potentialities than for any other State, and while available data on Alaska minerals stems mainly from searches for gold, petroleum and coal, there is strong evidence that almost every mineral of commercial value is located in Alaska and that discovery of new major high value mineral deposits can be anticipated. The developments just across the border in Canada give evidence of the practicality of mining and processing these mineral deposits once they are identified and evaluated. But this first calls for a stepped-up program of collecting resource data, including expansion of federal mineral survey and research reports shaped to inspire concurrent private, local and State efforts. Rapidly expanding world demands for minerals of every sort assure a market for any Alaska mineral resources and products that can be developed.

Much of Alaska's mineral resources, of course, lie north of the Railbelt Area. If intensified exploration locates substantial quantities of minerals that provide reasonable expectation of rail traffic, the Alaska Railroad should be extended—and although it is no longer under jurisdiction of the Department of the Interior I will venture the opinion that it will be. Water transportation is seasonal and major road construction and associated maintenance costs are expensive and discouraging. Northward extensions by the Canadian Government of its railroad system have contributed greatly to the development of Canadian resources.

Turning to fisheries, the value of fish caught in Alaskan waters already is greater than in any other State. Yet much of the fisheries potential of Alaska remains untapped, particularly with respect to shrimp, flounder, herring, hake, ocean perch and cod. The coastal and offshore waters of Alaska abound with species of great potential commercial value which American fishermen have been unable to harvest for a variety of reasons. Chief among them are lack of technology to locate, catch and process these fishery resources. Alaska is far removed from markets and some fish species are of generally lower per unit value than, for example, the rich salmon catch. But a stepped-up fisheries research and development program for Alaska, which is a long-range goal of our Bureau of Commercial Fisheries, will add greatly to Alaska's fishery wealth.

I have dwelled at some length on Alaska's future economic development and expressed a Federal Government concern with helping Alaska achieve a higher rate of economic development. Federal concern for Alaska was demonstrated most dramatically in the weeks and months that followed the tragic earthquake of Good Friday, 1964. In addition to the normal disaster relief benefits, Federal agencies committed other resources heavily to the reconstruction task. Grants and loans for replacement of homes, business properties, public facilities, highways, bridges and fishing vessels were authorized. Entirely new harbor facilities had to be created at places like Kodiak, Seward and Homer. In the Department of the Interior's own case, the Alaska Railroad was restored to emergency service within days and a two-year program for permanent repair of damage required $27 million. This commitment was made, not on the basis of calculated economic return, but because the Federal Government could not in good conscience abandon a transportation artery so crucial to the State's development potential.

Alaska has been conditioned to the hardships of the frontier and her recovery from disaster attests to the resulting community vigor. Now Alaska's eyes can once again focus on the future.

Returning to matters of more immediate concern to your Association, John Black tells me that PATA "is undoubtedly one of the most important and beneficial" of the several official and semi-official international travel organizations of which the U.S. Travel Service is a member. Your organization, then, bears heavy responsibility of the type Secretary of the Interior Stewart L. Udall referred to recently before the Creative Travel Operators Association. Speaking on "Taste in Travel", he said:

"Much of what you sell is what you have created. And your creation and marketing of this product carries with it a responsibility. That responsibility has a very real bearing on the condition of our environment."

The Secretary went on to say that travel operators have a responsibility *not* to "give people what they want" if what they want is shoddy or inferior.

"If a tourist comes home (the Secretary said) from a travel experience only poorer

in pocket and no richer in mind and spirit, he has a feeling of being cheated . . . If we wish the members of this increasingly numerous and more affluent society to crave excellence, we must present them with a picture of it and a means of achieving it with a degree of comfort and ease. I do not mean to imply that excellence is easy or that it is necessarily even comfortable. But in presenting attractively packaged travel opportunities that stress the best in our society, you are encouraging excellence and its enjoyment. This is a distinct contribution to our culture and one you are in a favored position to render."

The natural parks of Alaska and the rest of our Nation afford some of the best opportunities for travel that enriches the mind and spirit. They serve, Secretary Udall has said, "as a measuring rod for quality." Any time we lose sight of what constitutes a quality environment, we can take a look at the measuring rod and be jolted back to reality. As we look at Mount McKinley National Park, we can say, "This is what can be preserved—at least, this is what we can aim for: purity of air and water, unscarred land, uncluttered roadsides."

The National Park Service is now planning legislation which would raise Glacier Bay National Monument to National Park status. The Advisory Board on National Parks, Historic Sites, Buildings and Monuments last fall endorsed its 1959 proposal for a Glacier Bay National Park. There are few places on earth where scientists can study glacial activity as satisfactorily as at Glacier Bay.

We in the Department share fully the Advisory Board's conclusion that Glacier Bay meets all of the criteria for National Park status—a status reserved only for the jewels in our national treasury of natural beauty and scientific fascination.

But before this proposal can become a reality, we must resolve one of the conflicts which inevitably arise between preservation of nature's environment and man's need for resources and industry to build and sustain his society. Out of laudable concern for Alaska's economic welfare, the Congress in 1936 specified that Glacier Bay National Monument should be open to location and development of mining claims. From long experience we know that uncontrolled mining operations are totally incompatible with National Park objectives as defined in fundamental park law.

Much is already known about the location and extent of the Monument's mineral deposits. Many of them are critically located with reference to key points of scientific and scenic interest, although actual production has been minimal over the past thirty years. Historically, the solution to this conflict has been to eliminate mining in National Parks; just a few years ago, for example, the Department purchased, on behalf of all the people of the United States, the last operating mine in Grand Canyon National Park.

Ideally from a park management standpoint, this should also be a prerequisite to the elevation of Glacier Bay to full National Park status. But it is evident that the consequences of such a step require careful analysis and consideration. Perhaps other, less severe, avenues may be open to us, such as boundary adjustments to exclude significant deposits or zoning regulations which would ban mining in or near areas of primary scenic or scientific value. At this moment, however, this is an issue that challenges the constructive statesmanship of Federal and State officials and the mining industry.

Travel agencies have performed valuable service in helping to acquaint the public with Glacier Bay's remarkable scenery and scientific significance. The trip from Juneau by plane or boat is a trip of a lifetime for the average tourist and represents some efficient teamwork on the part of the travel operators and the Park Service. The Park Service, incidentally, has added 16 guest cabins to the lodge building that opened last summer at Bartlett Cove, and has expanded the service and maintenance staff accordingly.

At Mount McKinley the Park Service is planning $24½ million worth of improvements over the next 10 years. And at Sitka National Monument completion of a new Visitor Center was timed to coincide with the centennial; the Park Service expects Sitka National Monument to have the most successful year in its colorful history.

Sitka Monument serves the dual purpose of commemorating the bravery of the Alaska Indian in resisting the colonial expansion of Czarist Russia and of symbolizing the artistic heritage in native culture. Here, for example, has been assembled one of the world's finest collections of totem poles. Eighteen of these Indian art works including the tallest and most elaborately carved specimen known anywhere, have been repaired, preserved and installed along the paths of a majestic spruce forest site.

This aspect of our national cultural history is attracting much interest. We applaud the efforts of those who want to seek out and preserve other examples of the ancient totem pole art and we shall provide assistance and cooperation wherever it is possible and proper for the government to do so. Meanwhile, however, the Sitka Monument Visitor Center provides space for extensive workshops where native art and craft techniques may be demonstrated and where native artists and craftsmen may actually work toward the broader development of traditional art forms. This combination of paying homage to the old while providing facilities for contemporary artistic development is unique in the National Park System.

Possibly you did not know that the Park Service works closely with Alaska also to preserve historic sites under State and local ownership. The National Historic Landmarks Survey has accorded appropriate recognition to 16 historic sites in Alaska, including the American Flag Raising Site on Castle Hill at Sitka, the Anvil Creek Gold Discovery Site near Nome, the Fur Seal Rookeries on St. Paul Island, and White Pass of the Yukon Gold Rush days. And now under the National Historic Preservation Act of 1966, the Park Service will act for the Secretary of the Interior in assisting local communities to save and restore sites and buildings of historic eminence.

I cannot close without calling your attention to the expanded recreation opportunities that the National Park System is offering this year in our other Western States.

Besides the traditional—and, unfortunately, traditionally crowded—super attractions such as Yellowstone, Grand Teton, Yosemite, Glacier and Grand Canyon National Parks, the Park Service now administers a growing number of Recreation Areas. One of the most popular is Lake Mead, some 3,000 square miles of sun and fun in the Nevada and Arizona adventure land near Las Vegas. One of the newest is Whiskeytown Lake Recreation Area in Northern California, dedicated by President Kennedy in 1963, and only a day's drive from San Francisco, Sacramento and Portland. Others include the Coulee Dam Recreation Area in the State of Washington, Flaming Gorge in Wyoming and Utah, Shadow Mountain and Curecanti in Colorado, and Glen Canyon in Utah and Arizona.

All of these Recreation Areas are rich in low-cost camp sites, trailer sites, boating, and water-skiing. Lake Powell, behind the Glen Canyon Dam on the Colorado River, will stretch for 186 miles when it eventually fills, and already enables visitors to see Rainbow Bridge National Moument by boat.

Your clients should know about the great parks and monuments and recreation areas of the West, and the National Park Service will gladly provide you or your clients with a price list of all the brochures available from the Government Printing Office.

If I may make a suggestion, the park areas in spring and fall are as beautiful as in the summers when our parks, monuments and recreation areas are most crowded, and if your clients can plan their trips to avoid the summer peak they will enjoy their visits even more. A lot of people even go to Grand Canyon, for example, for Christmas and New Year's.

There's something to please almost everybody in the National Park System. We're proud of the way our parks represent the best and most treasured of our scenic wealth for the people of all lands to enjoy. You are doing a service to international understanding in acquainting the peoples of the Pacific Area nations with our National Park System. We in the Department of the Interior welcome the opportunity to work closely with you.

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.

## PRIVILEGE OF THE FLOOR

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent on behalf of the Senator from Wisconsin [Mr. PROXMIRE], that Daniel Edwards, staff economist for the Joint Economic Committee, be given the privilege of the floor during the session of the Senate today.

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

## CONFERENCE OF LATIN AMERICAN LEADERS AT PUNTA DEL ESTE

Mr. HARRIS. Mr. President, we all followed with considerable interest the events of the past week at the Conference of Latin American Presidents at Punta del Este. There, the American Presidents pledged themselves to a farsighted program of action designed to mobilize the resources of the hemisphere for the welfare of its people.

The realization of this program of action for a new America depends, in the last analysis, on the vision, the courage, and the statesmanship of the Latin American leaders. Observers at the conference were impressed by the realistic manner in which these leaders acknowledged their own responsibilities in the tasks which lie ahead.

We in the United States should take satisfaction in our own country's role in the conference, and particularly, in the skillful manner in which the President directed our participation. Mr. Max Frankel, distinguished journalist of the New York Times, described the President's return from Punta del Este as a "happy homecoming." In an article published in the Times of April 15, he

cites some of the gains resulting from the President's quiet diplomacy at the summit.

I ask unanimous consent to have printed in the RECORD some excerpts from Mr. Frankel's article.

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

OTHER LEADERS PRAISED

There were two main reasons for the President's evident high spirits or, as he put it before leaving Uruguay, "good heart." The summit meeting convinced him, he said, that the hemisphere is led by men determined to develop their nations and therefore worthy of United States support.

Perhaps even more important was Mr. Johnson's pride in his own performance. His departure statement described leadership in the Americas as "a task not for sprinters but for long-distance runners," and with this strange journey to Uruguay Mr. Johnson established himself as sure-footed on the diplomatic track.

It was a strange journey because probably no American President had ever before flown so far to see so little and to be seen by so few. Five thousand miles from the White House—as far away as the Kremlin—Johnson and his hemisphere colleagues were confined to a few seaside villas in the Uruguayan beach resort of Punta del Este and to the cramped and blazingly lit conference hall, a temporarily converted gambling casino.

The President saw neither the lively streets of nearby Montevideo nor the sidewalk cafes of Punta. He faced no crowds except those that crushed around him at official receptions. He strolled for three nights under the southern sky and could look from his house over the South Atlantic, but standing out there were his country's ships keeping him intimately in touch with his vast and personal communications net.

RHETORIC IN MANY TONGUES

The soaring rhetoric that came to Mr. Johnson's conference earphones in Brazilian Portuguese, Haitian French and Latin-American Spanish undoubtedly made this meeting a "foreign" experience but he was no nearer to a truly alien environment than the rhetoric was to the everyday concerns of the peoples represented.

Yet this very confinement helped to focus the President's objectives. Most of the rhetoric at this conference dealt in fact with the necessity of turning good words into difficult political and economic deeds.

Mr. Johnson was not distracted by attempts to appeal to the Latin-American masses and so he worked directly at his personal contacts with the other American leaders and at the cooperative ventures they had come to design.

The success of the conference itself, however, was not predestined. Though thoroughly prepared, it could have been drowned in words or suffocated by protocol or simply torn apart by national rivalries.

None of this happened, in part because President Johnson made sure it did not. His two main speeches were models of brevity, directly open and delivered as clearly and forcefully as any he had ever made.

The atmosphere remained informal despite tight security and the operetta pomp and heraldry that attended the comings and goings. And Mr. Johnson, together with Presidents Eduardo Frei Montalva of Chile, Fernando Belaúnde Terry of Peru, Gustavo Diaz Ordaz of Mexico and most of the leaders of the larger countries overpowered the nationalism of some smaller nations by simply ignoring it.

Besides playing out the prearranged script of the formal conference therefore Mr. Johnson and his colleagues came away with a higher respect for one another. Moreover, some of the best diplomacy of recent hemisphere history was said to have been achieved among the Latin nations themselves operating under the summit umbrella—a canopy that would not have stretched across all without President Johnson's commitment to the meeting for many months.

The President returns, therefore, in a brighter mood than even he expected.

* * * * *

For an entire week the President was relatively free not only of the direct burdens of the war in Vietnam, which had been weighing more heavily on him each week, but free also of the contention in Washington that has come to surround the war.

Instead, he was deeply engaged in the grand and daring design of a Latin-American common market attended by new programs of social welfare.

The emphasis at the summit on personal diplomacy was a further boon, for Mr. Johnson, operating in shirt sleeves on his lawn, could quickly overcome the formidable and even forbidding reputation that preceded him to South America and that the photographs of him in smoked glasses in blanching lights never completely erased.

Above all, however, was the success of the tactics the President had evolved for the conference: a heavy stress on the need for the Latin Americans to take the lead in their own economic development and political salvation; a refusal to buy their favor or flatter their temporary humor with lavish new promises of aid, and indeed, a firm offer to help that was made contingent directly upon their readiness to help themselves through difficult and unpopular measures at home.

Generosity runs naturally through the President's temperament and also his political philosophy of rewards and punishments. But the priority requirements of Vietnam left him with relatively little to offer in the short run.

So his success lay essentially in his candor, in his confession that he could offer only modest help and in his opportune conversion of that necessity into a call for self-help that struck a responsive chord among the Latin leaders. If the people beyond will only value that contribution, Mr. Johnson could undoubtedly elevate today's success into a historic triumph.

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## REMARKS BY VICE PRESIDENT HUMPHREY TO NATIONAL FARMERS UNION ANNUAL MEETING, MARCH 13, 1967

Mr. HARRIS. Mr. President, recently, I attended the annual meeting of the National Farmers Union which was held in my home State of Oklahoma on March 13, 1967. At that time, it was our great pleasure to have both as a visitor to our State and as principal speaker of the National Farmers Union annual meeting, the Vice President of the United States, the Honorable HUBERT HUMPHREY.

Vice President HUMPHREY, of course, has been a long-time friend of the farmers of the Nation. His remarks at the National Farmers Union annual meeting point out very vividly his understanding of the problems and needs of agriculture.

Mr. President, I ask unanimous consent that the remarks of the Vice President before the National Farmers Union annual meeting be printed in the RECORD.

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

REMARKS OF VICE PRESIDENT HUBERT HUMPHREY, NATIONAL FARMERS UNION, OKLAHOMA CITY, OKLA., MARCH 13, 1967

It is good to be back among the people I know so well.

I have been going to Farmers Union events ever since the 1940's, when I was mayor of Minneapolis. I think it's safe to say that I've attended as many Farmers Union conventions as anybody in Washington.

And I proudly display in my office the award for Outstanding Service to Agriculture you gave me two years ago.

I am not here today to tell you how well off you are. I know you are concerned about farm prices, credit, and income assurances for added production, among other things.

I want to talk to you about all these things.

Farm people—their problems, their setbacks, their future prospects and their basic importance to freedom in the world—have been the concern of President Johnson and Vice President Humphrey for many years.

We have seen farm depressions . . . and huge surplus buildups . . . and low farm prices . . . and heavy migration of farm people to our overcrowded cities. And we have seen enough of them.

I know, from talking to Tony Dechant and other leaders in Farmers Union, that you have serious misgivings about producing a lot more wheat and other grain because of the possibility of over-production and low prices.

The Johnson-Humphrey Administration is keenly aware of this price-income problem, too.

We want enough production to meet requirements—both here and overseas, including reasonable reserves, but with fair prices—I repeat, with fair prices.

Government farm programs are as essential now as ever.

The voluntary feed grain program, for example, has been a real success. About one and a half million farms have been signed up every year since 1961. With this program we have increased farmers' feed grain income, increased exports, and reduced the price-destroying effects of the heavy surplus we inherited.

No one knows what the weather will do to this year's wheat crop, particularly here in Oklahoma . . . and in Texas and Kansas. I know how worried George Stone and Jay Naman and Bill Daniels must be over effects of such a dry winter on the wheat crop.

With the indicated 400-million-bushel wheat carry-over on July 1, 1967—200 million bushels less than a desirable level—I am sure there will be a real need for a higher 1967 wheat crop both at home and abroad.

Ever since the early 1950's we have needed better prices so farmers could earn enough to generate some of their own capital requirements. This must be accomplished or the family farm system—the system on which our efficient agriculture is built—will neither survive nor prosper.

And let us make it crystal clear to all Americans. Good farm prices are good for America—good for American business . . . good for American labor . . . good for the American economy . . . and good for the American *consumer*.

American consumers have benefited—usually with no thought of their benefactor—from prices that at the farm level have consistently been too low.

In no other nation do consumers have so large a choice of nutritious food. And the percentage of disposable income that American consumers spend for food is far lower than anywhere else.

Last year the American consumer needed only 18 per cent of his pay for food.

Nowhere else is food such a bargain.

Yet the people responsible for this bargain have been left behind the rest of our nation.

Farmers are hit year after year by higher *production* costs . . . higher *living* costs . . . higher *interest* costs . . . and higher *machinery* costs. Production costs alone last year were up 2.5 billion dollars.

These are the reasons that farmers are worried about farm prices.

It not only costs more to do business in the city. It costs more to do business on the farm.

And if a worker is entitled to a better wage because of his increased productivity . . . because of an increase in living costs . . . and because of the profits of industry, then who can deny the farmer the right of a better price for his products—a price that brings him a profit . . . a price that makes farming a rewarding way of life, not a sacrifice.

Farm income is far better than it was before 1961, but it is still not good enough. We must do better.

Natural market forces will help us do better.

With most of our surpluses gone, the market is more responsive today to supply and demand than anytime in the last 30 years. Strong world demand, both in commercial markets and in countries receiving food aid, means a good long-term income outlook.

Certainly demand is increasing here at home and in other developed nations.

But there is a far greater demand in the developing nations.

World population is growing so fast that we add the equivalent of a new India every 7 years—and the increase is greatest in the countries that are the hungriest.

As President Johnson has said: ". . . the time is not far off when all the combined production of all the acres, of all the agriculturally productive nations, will not meet the food needs of developing nations—unless present trends are changed."

This is the setting in which we must survey the future. And it is the setting in which we must formulate national farm policy.

This year's production expansion here in the United States is therefore aimed at meeting our growing domestic needs . . . at meeting requirements of expanding commercial markets and food aid programs . . . and at still having some left for strategic reserves.

Some day we're going to have a bad crop. If we have a bad wheat crop this year, it will be a major disaster.

That is why we need reasonable working stocks as a minimum for normal business operations. And we need a little extra for emergencies.

I know you support national food reserves—*provided they are insulated from the market.* That is a reasonable position and I support it.

We took a step in December in boosting prices for Commodity Credit Corporation sales of government-held stocks. These prices are now directly tied to carry-over levels. Lower carry-over levels mean higher resale prices of grain in government hands.

The government can't sell its wheat, corn, barley, oats or grain sorghum now for less than 115 per cent of loan value, plus carrying charges. You fought for this. I fought for this. And we were right.

In increasing these sale prices, we changed the whole level of agricultural pricing. We took the Commodity Credit Corporation of the business of competing with farmers. We want market prices substantially *above* the loan levels.

We need a common sense level of "set aside" reserves, clearly insulated from the market, and understood by the public as "reserves" and not "surpluses." We need your help in developing this program.

When I come before a Farmers Union convention I know I'm among the best friends our Food for Peace program has ever had. I want to thank you again for your loyal support through all these years.

Food for Peace, which once was a surplus disposal program, now is a major constructive force in the world. Since 1954 it has accounted for over 15 million dollars in exports of farm products.

Some of the 100 or so countries we've helped now are commercial markets for our farm products . . . *dollars* markets. This program deserves credit for much of the recent increase in farm exports.

But let no one under-estimate the humanitarian role of our food and technical assistance in meeting the challenge of world hunger.

Governments have risen or fallen on their ability, or inability, to feed their people. And political leaders in the hungry countries are increasingly realizing that neither promises nor prestige can substitute for the basic nourishment of their people.

We will save more lives in India this year as a result of food aid than the total populations of North and South Vietnam.

President Johnson is showing forceful leadership in insisting that we use our food abundance and technical know-how to help food-short nations help themselves. This now is our policy—to use self-help to get people to stand on their own feet and to get other industrial nations to help us carry the world food burden.

This Administration also is promoting farm exports in commercial markets. No other nation can even touch us in terms of farm efficiency . . . and we must take full advantage of this edge in world trade.

Agricultural exports last year reached a new high of nearly 7 billion dollars. More than 5 billion dollars of this was in dollars—a major, constructive contribution to our balance of payments problems.

The total should go higher. And it could go very substantially higher if President Johnson's proposals for increased East-West trade are adopted and if the Kennedy Round negotiation, now in progress, helps to keep markets open around the world. I believe the chances are good that it will.

A whole new generation of foreign consumers is looking to us for its food requirements. We simply must wake up to this new opportunity.

And the American farmer should share in the hard currency markets created through trade with the Soviet Union and Eastern Europe. It is good international policy. It is good economics. It makes sense.

Trade in farm products with these countries should be put on the same basis as trade in other non-strategic commodities.

Food sales promote peace and understanding. And why deny the American farmer a good market for his production in the name of anti-communism when it is our national policy to build peaceful bridges and peaceful trade to this part of the world?

Now I want to talk briefly about farm credit, which I know is one of your greatest concerns. We talk about production expansion . . . about greater efficiency in agriculture . . . about adopting all the latest technological advances . . . and about higher net farm income.

But to accomplish all this, we must provide financing with the terms and the interest levels that farmers can handle.

Total investment in agriculture already is more than 250 billion dollars—equal to three-fourths of all the assets of American corporations.

This is a tremendous burden for an industry that has had a low profit history for the past 15 years.

We must do more to insure a new, creative, flexible system of financing farms and farming, or the farms of tomorrow will not be owned by the farmers who work them. If we fail, the family farm system that is the envy of the world will simply disappear.

Adequate farm credit on reasonable terms is the life-line of free-enterprise family farming.

It is not in the interest of consumers, nor is it sound national policy, to have American agriculture so starved of capital that control passes to non-farm owners.

The incentive for efficient production and the ingenuity and efficiency of the family farm is a previous national asset that we *must* protect. And we intend to do so.

The world marvels at the strength and the productivity of our American agriculture—a productivity that has increased more than 100 per cent in less than 15 years.

We have powerful weapons—and so do other nations. We have advanced science and technology—and so do other nations. We have large resources of capital—and so do other nations.

But America has all of this *and* the extra measure of strength that flows from an abundance of food and fiber. It is this extra measure which gives us unmatched resources for world leadership.

Let me put it another way. Imagine what Mr. Khrushchev would have been able to do in the 1950's with our reserves of food and fiber. Imagine what Communist China would have been able to do in the past—and would be able to do today—with our vast abundance of food and fiber.

If we see things in these terms, then how can we ever permit anything to weaken our agricultural economy?

Your President and your Vice President know the importance of American agriculture. We come from farm people. We come from rural America. We have lived through a farm depression.

We have seen the American farmer victimized by burdensome surpluses and deliberate economic policies that were unfair and unjust.

I come here today with a promise and a pledge—a promise of friendship and the pledge of an Honest Deal.

It is time that the American farmer received a fair share of our national prosperity.

He has earned it.

He deserves it.

And he will get it.

The gap between farm income and income in other parts of our economy—the Prosperity Gap—must be eliminated.

And the Johnson-Humphrey Administration will stand by its pledges that it shall be eliminated.

Now, in conclusion, I should like to say a few words about rural areas in a country many thousands of miles away from us, but very much in all our minds—I mean South Vietnam.

In the last analysis, the struggle in Vietnam will be won or lost in the countryside, where 85 per cent of the Vietnamese people live and work.

The struggle will be won when the Vietnamese peasant becomes convinced that democratic government offers him—and his children—a better future than communism.

It will be won when he ceases to think of himself as a "peasant," eking out a bare existence by back-breaking toil and deprived of all human dignity.

It will be won when he ceases to think of himself as a "farmer," using his mind as well as his hands, enjoying a decent standard of living and being treated as a human being rather than a beast of burden.

There is nothing more important in Vietnam than to offer its peasants a foretaste of the better future that freedom can offer them—a foretaste of being farmers rather than peasants.

That is happening now.

And it is not just because of our material aid—seed and fertilizer and pesticides.

It is even more because of the fine *people* we have out there, good rural Americans like yourselves. They are at work in every part of Vietnam, and when I say "work" I mean "work."

They are out there in the mud and the

heat, side by side with the Vietnamese farmers, showing them how to grow more and better crops—how to achieve a higher standard of living.

I have met and talked with our people out there.

Despite discomfort, disease, and ever-present danger, they tell me it's a deeply rewarding experience.

The Vietnamese are vigorous, alert, and eager to learn. There's little of the apathy . . . little of the resistance to new ideas, that persists in some other developing areas.

They *are* learning. They *are* putting what they have learned to use. The results show it. And we should know about those results.

Rice is the basic crop of Vietnam, accounting for four-fifths of the cultivated land. As recently as five years ago, up to 600 varieties were grown, many of them mediocre or downright poor.

These have all been screened, and a few dozen superior varieties identified. Over 20 thousand tons of this improved seed are being distributed every year—and planted.

Some thirty new varieties of vegetables—legumes, grains, sugar cane and root crops—are being grown, and they are proving 20 to 100 per cent more productive than the varieties traditionally grown.

Within four years, the application of fertilizer has mounted to over 250 thousand tons annually—and there are still complaints about the supply falling behind the demand.

Pesticides, almost unknown a few years ago, are being used by half a million farmers. Some 30 thousand sprayers are being rotated among the farmers, and many have bought their own.

New breeds of hogs have been introduced—the scrawny, swaybacked hog of former times is on its way out. As a result, hog productions is now running at three million 600 thousand annually, over double the level three years ago—and the average hog going to market weighs 220 pounds instead of 130 pounds.

New Hampshire Red chickens are gradually replacing the native stock. This improved poultry is catching on rapidly, and there is a brisk market for their meat and eggs.

In every province, there are already farmers who are raising purebreed piglets and chicks for sale to their neighbors.

Thousands of farm demonstrations are being carried out each year to popularize the use of fertilizer improved crops, and improved breeds of livestock.

Some people ask: What will happen when we pull out, once peace is restored? Will the tempo of progress be maintained? Will it be increased?

Indeed it will—because the people and their government are far better organized to maintain and step up agricultural progress than they were.

Vietnamese farmers, in increasing number, are joining together to help themselves by helping each other.

Today—

There are over 20 thousand farm youngsters in 700 4-H clubs.

There are 60 district farmer's associations and 250 farmers' and fishermen's cooperatives.

Agricultural credit associations have extended loans to thousands of farmers, and will go right on expanding.

The first rural electric cooperation association is in operation—and plans calls for bringing electricity to 12 thousand rural people by the end of this year.

Through these organizations of their own making, Vietnamese farmers are gaining a voice and a vote in their own economic future, just as they will have their say in their political future in the village elections beginning next month and the national elections later this year.

This is very real progress. Progress made despite Communist subversion from within and invasion from without.

The help we and other nations have been privileged to give has *not* been wasted. On the contrary, its effectiveness has been multiplied by the work and sacrifice of the Vietnamese people themselves.

What is being done in the Vietnamese countryside has a significance far beyond Vietnam.

For Vietnam is only one developing country among many, and its millions of peasants share the problems and the hopes of hundreds of millions of other Asian peasants.

All have suffered in the past—and some still do—from regimes which, to paraphrase Tolstoi, professed willingness to "lighten (their) load by all possible means—except by getting off (their) back."

All of them are seeking to become farmers rather than peasants . . . free citizens rather than virtual serfs. In this surge forward to freedom and well-being—this revolution that is sweeping the hundreds of thousands of Asian villages and the many millions of its people—much that is being learned in Vietnam can be of incalculable value elsewhere.

And we shall do our part in seeing that it is.

For, despite voices raised to the contrary, I believe our own freedom will ultimately depend on the freedom of nations elsewhere—even those nations where the people have unfamiliar languages and last names.

I believe, as President Harry Truman expressed it 20 years ago in another difficult period of our national history: "if we falter in *our* leadership we may endanger the peace of the world, and we shall surely endanger the welfare of the nation."

We must not, and shall not, falter.

## NO NEED FOR FEDERAL VOTING EXAMINERS IN TERRELL COUNTY, GA.

Mr. TALMADGE. Mr. President, the Attorney General of the United States recently assigned Federal voting examiners to Terrell County, Ga., where they are not needed, where they have no business, and where their presence is a great waste of the taxpayers' money and an affront to the local community.

The Terrell County Board of Registrars is abiding by the law and there has been no discrimination against any person. If there are not as many citizens registered as the Attorney General thinks there should be, it is no fault of the board.

As pointed out in an editorial by Carl Rountree, the well-known and respected editor of the Dawson News in Terrell County:

The simple fact of the matter is that every person able to walk into the courthouse and is still breathing when he gets to the registrar's office can register to vote.

This states the case very well, and I see no reason why Federal examiners were sent into this county.

Mr. Rountree sums up the situation in his editorial. I ask unanimous consent that it be printed in the RECORD.

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

A WASTE OF MONEY

(By Carl Rountree)

Probably no greater waste of the taxpayers' money has been demonstrated by the federal government than the assignment by the attorney-general of the United States of federal examiners to Terrell County.

For four days now, three men, one from Miami, Florida and two from Atlanta, have been located in an office in the basement of the Post Office building to list the names of persons who allegedly are not registered to vote in the county.

Under the law, these examiners cannot register anyone. Their job is to simply list the names, addresses and other specified information of applicants on a form which at the end of the month is turned over to the County Board of Registrars. It is the board's job to actually do the registering.

On Monday, the three examiners reportedly listed the name of one person. They were a little busier Tuesday. Fourteen persons are said to have called at their office. The story is currently told that two of their visitors Tuesday afternoon were hurriedly brought in for TV benefit and that they were called from automobiles bearing license tags of neighboring counties.

Whether or not any one or all of the 15 persons who listed their names with the examiners have ever applied to actually register could not be determined. The examiners said this question was not contained in the printed form and that they do not ask it.

It does seem strange, however, that any person should bother to walk to the rear of the post office building, walk down steps into the basement to get their names on a form while all they have to do is simply walk across the street from the front of the Post Office building into the courthouse building where they could actually register.

Then why the attorney-general of the United States has found it necessary to send federal examiners into the county at this particular time must be regarded as somewhat mystifying.

If there was any denial, allegedly or in fact, of the right of negroes, or white persons for that matter, to register his action would be understandable. But such is not the case.

Even a spokesman for the attorney-general has said there have been no specific complaints from negroes in the county of a denial of their right to register.

Furthermore, the board of registrars of Terrell County have been under permanent federal injunction for some time not to discriminate against any person because of race or color.

Admittedly, there are relatively few negroes, comparatively speaking, on the voter lists of the county. But that's no fault of the board of registrars or, in our judgment, any reason for the assignment of federal examiners to our county.

The simple fact of the matter is that every person able to walk into the courthouse and is still breathing when he gets to the registrar's office can register. We personally know of instances where negroes who had business at the courthouse almost every week if not every day, who failed to register and then complained they weren't registered to vote. Yet they never made an effort to register.

We think the men who have been assigned here have more important work to do and that there should be a little more consideration given to the expenditure of the taxpayers' money than is evident in this case.

## THE UNIVERSITY OF WYOMING DEBATES MOSCOW UNIVERSITY

Mr. HANSEN. Mr. President, two students from the University of Wyoming represented their State and Nation recently in international debate competition held at the University of Toronto in Canada. These two young men were members of the victorious U.S. team which copped top honors in the York University's centennial debating tournament.

After winning a debate with eight

Canadian universities they earned the right to lock horns with a team from Moscow University. They were coached by the University of Wyoming instructor, Wayne Callaway.

University of Wyoming students Mike Anselmi, Cheyenne, a junior, and his debate partner Patrick Hacker, a Rock Springs sophomore, faced their Moscow University counterparts on the proposition: "Resolved: The United States Should Immediately Withdraw Its Forces From Vietnam."

Although political considerations prevented the naming of a winner in this unusual debate—the first time the Moscow team had ever debated a non-Communist team—an account of the exchange carried in the April 16 Laramie, Wyo., Daily Boomerang and television film of the debate, graciously provided me by the Canadian Broadcasting Co., leave little doubt that America and Wyoming were splendidly represented by Pat Hacker and Mike Anselmi.

I might add that the CBC film, a 90-minute account of the United States-U.S.S.R. competition, is en route to the University of Wyoming.

I ask, Mr. President, that the graphic account of the debate as reported in two stories in the Laramie Daily Boomerang, be printed in the body of the CONGRESSIONAL RECORD with my remarks.

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

I WAS REPRESENTING THE UNITED STATES

(By Joseph T. Sample)

"I was nervous because I knew I was representing not only the University of Wyoming but the United States of America.

"I was afraid the Russians would resort to name calling," Mike Anselmi, UW junior and half of the North American International Debate team, said.

His debate partner, Pat Hacker, a 20-year-old Rock Springs sophomore, the same as repeated Anselmi's fears of their recent bout with the Moscow University debate team at the York University (Toronto, Canada) debate tournament.

The honor of debating the Russian duo was accorded the winner of the international invitational meet.

UW debate coach Wayne Callaway, a 15-year veteran at the art, said the three of them were in semi-final competition at Eugene, Ore. when he received a call March 1 asking the UW team to partake in the Canadian-hosted event.

"I said yes we would go," Callaway remembered. In the same phone call, he learned that UW President John E. King had resigned.

"We didn't know how our trip would be financed, but we sure wanted to go," he continued.

WROTE LETTERS

Up to the March 1 phone call, neither Callaway nor the two Cowboy debaters had ever heard of the York University invitational. After that, and from now on, none of the trio will ever say "What and where is that" when they hear of the tournament.

For they were competing against teams from Michigan State University, Princeton, Cornell, Columbia, Buffalo, Southern Colorado, Rhode Island, Augustana and UCLA from the United States and York University, McGill, Toronto, Alberta and McMaster from Canada.

Time passed quickly the next 29 days as Mike and Pat spent many, many hours in thought, research and study on the assigned topic for the Canadian Debate: "Should Canada Actively Support the United States in Vietnam?"

Letters were written to Wyoming's Senators, Gale McGee and Clifford P. Hansen, to President Lyndon B. Johnson's assistants and others ferreting out information pro and con on America's commitment in Vietnam and why Canada should or should not support it.

NO JOKE

"The thought never even entered our minds that we might have a chance to debate the Russian team," Hacker, the six-foot, four-inch debater revealed.

"We were just trying to win as many debates as possible. We weren't even worrying about the Russian duo," Mike, who is an economics major, added.

The invitational debate was broken into four divisions with five teams to a section. UW competed with Southern Colorado, Rhode Island, Buffalo and McGill in their division.

By Friday night, March 31, the UW twosome had won two and a bye. "This is where you debate yourself and win," Coach Callaway said jokingly. He went on to explain that when the other four teams in the division were debating each other, the fifth team has no one to debate and this is called a "bye."

April Fool's day dawned early for the tourney-crown challengers. UW's debate coach warned his team not to eat a hearty breakfast as they would have to debate McGill University (Canada's most potent collegiate team) and Buffalo University.

The duo lost to McGill 2–0 but blanked Buffalo by the same score to qualify for the semifinal round.

Lunch rolled around and Calloway warned Anselmi and Hacker again.

"Now, don't eat very much lunch. Just something light. We have to meet Princeton this afternoon and I want you to make a good showing," Callaway, who has been at UW three years, said.

UW VERSUS UCLA

Mike and Pat turned Princeton away 4–1 and turned their thoughts to the formal dinner and preparation for the UCLA event that evening.

Callaway warned them for the third time that day: "Now eat light at that formal dinner. We'll have a tough one with UCLA." And there was revenge at stake.

Mike ate most of his roast beef and Pat polished off the Yorkshire pudding. That was all. Then it was prepare, prepare, prepare for the UW-UCLA debate Saturday evening.

The bout started at 7:30 p.m. and after 68 minutes of talking, challenging, questioning and answering, UW took the match with a 3–2 decision.

York U. debate officials accorded them the four-foot winner's trophy and declared them champions of the North American International Centennial Debate tournament.

There wasn't much time for celebration however, for in less than 24 hours, the team would debate the Moscow University team on "Resolved: The U.S. Should Immediately Withdraw its Forces from Vietnam."

The Russian debaters would be Alexander Brychkov, 34, a doctoral candidate at the University of Moscow and a Communist Party youth leader, and Yevgeny Kubichev, 29, doctoral candidate enrolled at the Moscow Institute of Literature who also serves as a Pravda correspondent.

NO DECISION

The Russian team's appearance would be rare—one of the few times out from behind the Iron Curtain and the first time in Canada.

It wasn't 'til 11 p.m. Saturday that the three Cowboy-Staters realized they hadn't really eaten that day.

Next morning, Sunday, April 2, it was the the same old story about not eating too much. So breakfast and lunch were light.

During the Sunday afternoon no-decision debate, the Russians argued the affirmative on what Callaway reflected was an emotional level and gained sympathetic response from the audience's antiwar section.

Anselmi and Hacker defended the U.S.'s legal right to intervene at the South Vietnamese request in a clinical and dispassionate performance before a studio audience of 1,500.

In its Monday edition, the Toronto Globe and Mail reported:

"On a basis of debating skill, it appeared as if the U.S. students had the edge. But if the audience had voted, the Russians would have been the winners." It continued that the debate was argued without heat by both teams and noted the UW squad immediately crossed the stage to shake hands with the Soviets at the debate's conclusion.

In the last minute of the event, one of the Soviet debaters produced a child's book which was scorched and, so the Russian said, covered with blood. It was an old paperback book, pages yellowed. Callaway said it was approximately six by nine inches—about the same size as an old McGuffey reader.

UW's team thought bringing out the visual aid in the last minute of the debate unfair as they had no chance for rebuttal. They could have objected, but as Anselmi said:

"We did not feel like we had been dealt a low blow."

WELL PREPARED

Coach Callaway said he was asked on several occasions whether or not his team had been briefed by the Central Intelligence Agency or the U.S. State Department.

"We had been in no contact whatsoever with any U.S. agency prior to the tourney and so our answer was 'no', of course. The debaters were so well prepared, however, the CBC personnel and a number of debate coaches had difficulty believing the team had no outside help," he said.

"We later found out," Hacker added, "from the American Consul in Toronto, that our stand identically matched that of the United States."

Needless to say, Sunday night, the International Champions and the Russian opponents ate a hearty meal. "We didn't spare anything," 220-pound Hacker said grinning broadly.

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THE DEBATE

Films of the debate between the University of Wyoming and the University of Moscow, Russia, have not been made available yet.

However, Warren Gerard of the Toronto, Canada, Globe and Mail, did cover the Sunday afternoon debate at York University in Toronto.

In his article, he mentions that some persons wore "Stop the War in Vietnam" buttons and hissed as well as applauded the U.S. students while the Russians received only applause.

Gerard's account of the debate starts with Alexander Brychkov opening.

He (Brychkov) said U.S. involvement in Vietnam has no legal basis and cannot be explained or defended with the argument that the United States is being threatened by Communism.

"The war is immoral because it is being fought against the will of the people. It was the U.S. that invaded this country: it is the U.S. that should withdraw."

He was cross-examined by Mr. Hacker. "Do you think U.S. action in Vietnam is aggression?"

Mr. Brychkov replied: "They are trying to impose their will on the people."

"Has the U.S. made any efforts to negotiate a settlement in Vietnam?" Mr. Hacker asked.

"Declarations and actions are different,"

Mr. Brychkov replied. He added that he would give the United States no credit for any efforts to negotiate.

Mr. Anselmi said that the United States is fully justified to fight the war in Vietnam and the U.S. position in Vietnam is advantageous to the Russians.

Mr. Anselmi argued that under international law the United States was legally justified to intervene in Vietnam as soon as South Vietnam asked for help.

"We feel our position is justified," Mr. Anselmi said. "North Vietnam has deliberately supported and incited the Viet Cong."

He was cross-examined by Mr. Brychkov. "Do you think the American public is accurately informed on the war?"

Mr. Anselmi replied: "They are more informed about this war than any other war."

Mr. Brychkov asked him if the war in Vietnam is humane?

"War is never humane," Mr. Anselmi replied.

It was Mr. Kubichev's turn. He said that the economic factors are the least known to the general public, but are the underlying force for U.S. involvement in Vietnam.

"Vietnam is a large resource area. It is the war of American big business with (President Lyndon) Johnson as the chief representative of big business. Americans are building on the ruins of Vietnam."

He was cross-examined by Mr. Anselmi. "Do you feel the war is inhumane?" he asked.

"Certainly," the Russian replied.

Mr. Kubichev added that war is inhumane if it is aggressive but the Soviet Union, which he said is sending trucks and rockets to North Vietnam is supporting the defensive side therefore the humane side.

Mr. Anselmi asked what Mr. Kubichev would consider as economic stability in Vietnam.

When there is no inflation, when workers are properly paid, and when the budget is balanced, Mr. Kubichev replied.

Mr. Anselmi said there is inflation in the United States, Canada and Russia but each country is economically stable. Mr. Kubichev denied there is inflation in Russia.

But you have a food shortage, Mr. Anselmi said. Mr. Kubichev denied this. Mr. Anselmi then asked him what Russia has done with the wheat that it purchased from Canada. "You know what," Mr. Kubichev replied.

When Mr. Hacker's turn came he said it was in Russia's best interests for the United States to stay in Vietnam.

Russia wants a negotiated peace and China wants war, Mr. Hacker said. He said China and Russia are in conflict for the supremacy of the Communist world. Russia wants peaceful co-existence and China wants national wars of independence.

"Then we are to understand that the U.S. is helping peaceful co-existence?" Mr. Kobichev asked.

"If the U.S. loses that war, peaceful coexistence will really get a slap," Mr. Hacker replied.

In rebuttal, Mr. Anselmi said the United States was legally justified in being in Vietnam, and added that the Russians could not and had not argued the point.

He denied that children had been killed or maimed by napalm dropped by U.S. planes. He referred to a report in The New York Times which said a reporter could find no napalm victims. The audience hissed.

In his report, Gerard at no time mentioned the Russians producing the book which was supposedly blood-stained.

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## WAR AND PEACE IN VIETNAM AND THE CHURCH'S MESSAGE

Mr. STENNIS. Mr. President, the Reverend Edward L. R. Elson is minister of the National Presbyterian Church of Washington, D.C.

Dr. Elson is an able and outstanding minister. He is a dedicated American; a man of strong convictions and deep faith. His loyalty to his church, the people of his church, and the Nation is supreme. He is possessed of a sensitive conscience and a courageous soul. Above all, he is a man of mature judgment and thoughtful wisdom which he applies to everything he undertakes. Such leadership is needed in our time, and it is found in the sermons of Reverend Elson.

Last Sunday, Reverend Elson delivered an eloquent sermon on "War and Peace in Vietnam and the Church's Message." It is remarkable for its thorough analysis of this vital issue. It is instructive, and it is encouraging. This message has spiritual strength. I commend it to the careful study of all those who are concerned with this crisis and seek wise counsel and spiritual guidance.

I ask unanimous consent that the complete text of the sermon be included in the body of the RECORD.

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

WAR AND PEACE IN VIETNAM AND THE CHURCH'S MESSAGE

(By The Reverend Edward L. R. Elson, Minister, the National Presbyterian Church, Sunday, April 16, 1967)

"Thou wilt keep him in perfect peace, whose mind is stayed on thee; because he trusteth in thee." (Isaiah 26: 3.)

"Seek peace and pursue it." (Psalm 34: 14.)

The sermon topic for today had already been announced before the regular monthly meeting of our Session on Wednesday evening at which a resolution was adopted asking me to repeat in today's services the remarks which I made at the meeting of the Presbytery of Washington City last Tuesday, April 11, when the Presbytery was asked in a resolution to petition the President of the United States: "(a) to bring to a halt immediately aerial bombing of North Vietnam, (b) to enter immediately into negotiations with the Government of North Vietnam for withdrawal of armed forces of both sides to a predetermined place, as two signals of our desire for participating in a peace conference for the reestablishment of international justice."

In fidelity to my Christian faith, to my vows as a presbyter, to the highest insights of my conscience, and out of a genuine desire to find constructive efforts to lasting peace with justice in the whole world, I could not have remained silent. As you have learned through the press, the comments made by the Pastor of this Church and supported by several dedicated and thoughtful Ruling Elders (one an accredited White House reporter, another a State Department official, a third a military officer) led to the emphatic and overwhelming rejection of the resolution by the Presbytery.

It is clear to many of us here today, as it is clear to many of our leaders in government, and was clear to most of the Commissioners to the Presbytery that the adoption of that resolution by the Court of a great Church in the Capital City of the United States would have been tragic and calamitous, postponing peace consultations, imperiling American fighting men and their allies, and denying maneuverability to our President and our diplomats.

But it is not enough just to reject an unwise and unstatesmanlike resolution. It is important that all of us bring the best Christian insights to bear upon the total problem of the South Pacific and find creative ways to help all of the people of that vast area come to self-fulfillment, self-realization, national dignity and international friendship.

I want to make it as clear as possible that I believe now, as I have always believed, that there are times when the Church of our Lord should speak clearly and resolutely about idolatrous and immoral situations in the world. The Church should speak when in loyalty to God, under guidance of the Holy Spirit and an enlightened conscience, the Church is certain it speaks for God. I decline to be chaplain to the "status quo" or to say "ditto" to the American government.

Whenever a nation absolutizes some aspect of its reality, invests it with qualities of divinity, and claims for it a higher allegiance than the Christian gives to the transcendent God who is made known in Jesus Christ our Lord, then that is idolatry. And whenever a people glorifies or worships the man-God instead of the God-man, as happened in Nazi Germany, then this is paganism as blatant and blasphemous as the world has known which is to be condemned by Christians in all generations. Should that ever appear in this nation I would join with others, under the Lordship of Jesus Christ, to condemn and to resist it with all the powers of my being. And I am ready to die should that be a necessary witness. Honest moral judgments obligate us to keep relevant facts in proper perspective. Thus when it is implied that the United States is participating in an action in Vietnam that is something akin to the diabolical fiendishness of the Nazis program in Germany, then we must reply that such implications falsify history, distort moral perspectives and are an affront to the good name and the sensitive consciences of those who lead the American people and of the American people themselves.

In our country today everybody desires the end of hostilities in Vietnam and the achievements of an honorable peace followed by a stabilized economic and political order in the South Pacific. We all hate war, abominate its ruthlessness, its destructiveness, its squandering of wealth and life. Those persons who know its fiendish fury and its colossal manifestation of sin in man's individual and collective life are most revolted by it and pray fervently for its cessation. But to hate war is not enough. Today it is becoming increasingly clear that too many people are coming to dogmatic conclusions and easy panaceas from limited data.

Not long ago a large company of clergymen came to this city from across the country for the purpose of petitioning the President to do what the resolution in our Presbytery would also have asked him to do. These persons arrived with a pre-cast indictment of American guilt as though we were the sole offenders for the predicament in which the world finds itself. With an arrogance of conscience and a pretension to a higher morality than others, they had the formula: America is the guilty culprit and the criminal nation and therefore must abjectly repent and run. The truth is that America and Americans are guilty, but it is a guilt inherited and shared with other peoples and nations, and to indict America as bearing the sole guilt, or even the major guilt, at the very time we carry heavy responsibilities for the well-being of the whole world provides neither moral guidance nor practical statesmanship. Instead, such procedures provide propaganda weapons for the opposition. And you do not make peace by furnishing weapons to an enemy.

In Presbytery I took the floor to ask the Presbytery to defeat this ill-timed, harmful resolution emphatically, resoundingly, uncompromisingly, and overwhelmingly. This the Presbytery did. Under similar circumstances I should do it again. It is one thing for an individual minister, or the professional pacifists, or the chronic protesters, or the convinced or concealed Marxists, to assembly unofficially and make demonstra-

tions and exhibitions. It is quite another thing for the official Court of the Church in the Nation's Capital to be the conduit of such sentiments to the President and his associates.

What we have seen and heard from some of the protesters about Vietnam does not encourage their trustworthiness as conciliators, peace makers, and statesmen. We found, at the Conference of Clergy held here several weeks ago, guidelines on how to counsel conscientious objectors and draft card burners and law breakers and evaders, but no handbook on how to counsel a devout Christian who has some honor and patriotism and believes he owes his country his military service. At that Conference could be seen pictures of civilian casualties alleged to have been the results of American action, but we have had no exhibitions of the Viet Cong torturing and killing in every conceivable brutal manner 11,900 village chiefs and community leaders in order to terrify the population. Nor is there any reference by these unctuous protesters about what we see at Walter Reed Hospital and every other military hospital—the broken and maimed bodies of American men.

We are asked by the chaplain of a great university "to be angry and sin not." This was his text in a devotional service in a Presbyterian church during one of the protest meetings. Yet the sin of self-assumed moral superiority and arrogance of conscience has seldom been more extravagantly demonstrated than in his own hysterical running off in all directions.

Presbyterian young women attending Eastern women's colleges are led by this same university chaplain to demonstrations in Washington. Then when the daughters of Presbyterian homes are reported to be jailed, the pastors call me while the distraught parents importune me to rescue the young women. Fortunately this is a service I have been able to render to some out-of-town Presbyterians who were sucked into this irresponsible thing some months ago. And I am glad to say that through the years I have been helpful to honest conscientious objectors who were Presbyterians.

Wisdom is learning what the past has to say to the present. We are now hearing the same addresses, sometimes by the same people who were making the pacifist speeches and supporting soft policies in the 1930's. It is now a fact of history that the pervasiveness of religious and secular pacifism and the presence of pacifists in public office in Great Britain contributed to the daring movements of the Nazis in the late 1930's. German intelligence officers taking readings of British life reported to their government that pacifism was so widespread and so highly placed that the British would not resist their military movements. In any case, the intelligence was to the effect that pacifism had so laid hold on Britain that military action was worth risking. Then came the German reoccupation of the Rhineland, the penetration and union of the Sudetenland, the political Anschluss of Austria, the penetration of other areas, until finally in September of 1939, when German intentions became clear, the whole European continent was imperiled, belatedly and without adequate forces a choice was made to resist.

The lessons of history are also clear that when strength has been exercised and there is a resolute readiness to employ military force there have been turning points in history. We saw it by the action of the United States in Greece, in Turkey, with the Berlin airlift, in Korea, in the Suez, in Lebanon and on other occasions. Salutary and peaceful results, preventing anarchy and widespread warfare, have come about with the willingness to exert force at the proper time, in the proper manner, and in the proper place.

Military force as such is neither morally right nor morally wrong. It is the uses of which it is put—the times, the places, the amount and the purposes—which determine the moral or immoral use of force. And in this stage of the development of mankind, failure to use military force in the proper time and place and for the proper purpose can be disastrous and highly immoral. The highest form of diplomacy and statecraft in relation to military force is to perceive when to exert force and when to withdraw it in the service of achieving justice and righteousness.

The relevant morality is the cost of an action in relation to the political objectives to be achieved. In the South Pacific the relevant and determinative factors are not simply South Vietnam nor even the welfare of this people and the stability of its government, though this is included in every thoughtful and compassionate man's objectives. But this operation is related to the whole South Pacific and to the forces at work in the world as a whole. The American presence in South Vietnam has had some bearing upon the dislocation of Sukarno in Indonesia. It affects the well-being of Hong Kong and the stability of Thailand, to say nothing of Cambodia and other areas. Ask a Filipino and he is appalled at the suggestion of diminishing American strength. Ask any citizen in New Zealand or Australia how he would like American withdrawal, and he will answer you that by all means America's presence is absolutely essential to the welfare of the whole area. Moreover, when the ordinary people of South Vietnam are asked their views in an objective manner, it is quite clear that they overwhelmingly desire the assistance and the presence of American forces, technicians and our economic resources. This has been attested by the latest CBS survey.

Look with me then at the Resolution which was proposed in our Presbytery, and let me indicate to you point by point why I believe it to be defective and why the Presbytery rejected it:

"Believing that modern war cannot be equated with the classical Christian definition of a just war,

"Believing that the present so-called police action in Vietnam is in danger of escalating into a genocidal war,

"Believing that the present conflict in Vietnam is compelling our armed forces to participate in a conflict that does grave harm to the image of respect for persons and international justice which are at the core of our foreign policy,

"This Presbytery petitions the President of the United States (a) to bring to a halt immediately aerial bombing of North Vietnam, (b) to enter immediately into negotiations with the Government of North Vietnam for withdrawal of armed forces of both sides to a predetermined place, as two signals of our desire for participating in a peace conference for the reestablishment of international justice."

Take the phrase, "Believing that modern war cannot be equated with the classical Christian definition of a just war," the truth is that there have been many definitions of a just war, and this particular war is different from any other war which preceded it. The first Christians bore no responsibility for government or world destiny. They were a tiny minority in a vast empire. Non-resistance, pacifism and use of force for Christians had different relevant connotations then than now. Beginning with the fourth century, the church fathers developed a series of definitions of a just war and the responsible use of political and military power by Christians. From then on the classical view was never that of "absolute pacifism" although pacifist minority sects continued to exist in every age.

In our world today the terrible potential threat of nuclear war has made the world safe for the limited war. Never before on such a scale have we witnessed a war where the combatants were indistinguishable from civilians, where the hostile force appears as though it were civilian, where the hostile force makes civilian populations its deliberate target and calculatedly shields itself behind civilians. We may never know how many American soldiers and allies have lost their lives because our commanders have paused to warn civilian populations in or near valid military targets.

Take the second sentence about a genocidal war.

This presents a colossal oversimplification of the realities. It is tragic that the very persons who accuse other people of oversimplifying the world situation by dividing everything into communist and anti-communist now fall into the mistake of declaring that the South Pacific action is simply a white versus a yellow man's war. It is more than that—vastly more than that, as I have already pointed out.

Concerning the dignity and value of persons:

Look at that—which persons are being talked about? The people of the whole South Pacific? Or the whole free world, including our troops? Or just Ho Chi Minh and his people. And what kind of justice are we talking about when it is applied to international relations?

So the resolution would have petitioned the President of the United States to bring to a halt aerial bombing of North Vietnam.

This is telling the President to limit our targets and restrict our weapons.

Again, it is proposed to enter immediately into negotiations with the Government of North Vietnam for withdrawal of armed forces of both sides to a predetermined place.

Do we really want the President to do that? Five times, for various lengths of time, the bombing has ceased only to find the period exploited for moving troops and weapons. Thirty letters have been sent to the ruling powers of North Vietnam by our President. Every American diplomat is on the alert for signals that might lead to a helpful negotiation, and the good offices of many foreign nations have also been sought by our own Government. These two proposals are precisely the pre-condition to negotiation which the adversary has set down.

I ask you today, as I asked the Presbytery, has there ever been a more sensitive and magnanimous people in the use of power than Americans? Compassion in time of war is to bring the war to a decisive conclusion which will lead to a just and honorable peace based upon real justice, real human dignity, and a stabilized social and political order which benefits all the people. Hostilities should terminate when we can negotiate from a position of strength consonant with the responsibility we carry in the world today.

I have not found a single responsible official in this city who feels that such a resolution from a church body would be helpful in contributing to peace. Instead it would further emphasize a divided people, it would delay concluding the conflict, imperil American fighting men, deny maneuverability to our Government officials and, above all else, would lead the North Vietnamese to believe they could accomplish by disunity and by propaganda what they cannot hope to achieve by weapons and by honorable negotiations.

Let me say something else today. You do not make for peace by providing the enemy with his propaganda weapons. And that is what the performance of some people does at this very hour. Is it not utterly repugnant to every respectable citizen, does it not wound the national spirit and offend the spiritual nature of people to see on the front page of our papers today an American flag burned by alleged Americans in an American city with the eyes of the whole world gazing on the scene?

Some people this very day must bear a hideous guilt for that ignominious act. Shame on them from all of us—and may God pity them.

I join with my fellow Christians everywhere in hating war. I have been exposed to it, seen it with my own eyes, and have lived through the turbulent and anguished hours of combat and carried home a disability from war. I have gathered up the crushed bodies of young Americans, have ministered to the wounded, the dying, and have performed the last offices for the dead. With every deeply sensitive Christian I loathe war as the most fiendish and most diabolical manifestation of sin in human society.

But the solutions to complicated international problems do not lie in a simple antipathy to the suffering caused by war. The overt expression of war is only part of its meaning and reality. The absence of violence does not mean that we are at peace. War is the tragic alternative to cultural and diplomatic—yes, and religious—failure in the world.

But when it comes and complicated problems arise in the crucible of war, we are not helpful by making wild declarations, proposing naive or simple solutions which deprive maneuverability, restrict weapons, limit targets and leave us without a long-range plan for rehabilitation and reconstruction.

Most people here know that I have a son-in-law and two daughters who have lived in Saigon, that one now teaches in Saigon, that I have a son-in-law in the Army and a son about to enter military age. I do not want my sons commanded by officers whose targets are limited by a resolution, or whose weapons are restricted by an irresponsible resolution adopted by a church body, however well-meaning the intent, especially since the agitators do not have access to all the facts and also lack expertness in diplomacy.

How shall we live and work at this moment of history?

(1) Let us keep our personal lives free from hate and full of love for all peoples. We should do our best to keep our lives free from inflammatory, hysterical and irresponsible hostility. Pacifists, in their zeal, sometimes become very bellicose. And the nonpacifist Christian can become both impatient and intolerant of the pacifist whom he regards as the prescriber of easy and oversimplified solutions for complex problems and hard realities. It is important to preserve the solidarity of the Christian fellowship and this is based upon the loving heart and attitude.

(2) We need to think creatively about the whole world. Our first love is for God, then for our family, then for our church, then for our nation—followed in that order by an outreach into the whole world. Patriotism is not a "dirty word" as is so often implied today. And there is no incongruity between loving God and country and striving to find constructive ways of helping other people achieve self-fulfillment, real dignity, and a national destiny. No people in history have been more sensitive, more lavish in their assistance to other people than have Americans. I have an inner joy about that. And I think we need not panic if now and then, because of the lack of skills or maturity in management, a little of it is squandered! There is so much more that has been helpful. But in our thinking and acting in the South Pacific we need to keep our vision on the whole area and the relation of that entire area to the remainder of the world.

(3) We need to pray. Prayer should not be a substitute for thinking, planning and acting. But we need constantly to humble ourselves before the transcendent, sovereign God to whom men and nations are accountable. We need to ask His forgiveness, His cleansing, His renewal of life. We need to open our lives to the light of His presence, to ask for and wait for His higher illumination and guidance. Even amid the tumult and violence of war there is a peace which belongs to those whose "mind is stayed" on God.

## THE CASPER, WYO., STAR-TRIBUNE EDITORIALIZES ON MARTIN LUTHER KING

Mr. HANSEN. Mr. President, the Casper Star-Tribune, in its April 13 edition, took editorial note of the shockingly irresponsible speech of the Reverend Martin Luther King, in which Mr. King said in part:

The American government is the greatest purveyor of violence in the world today.

The Star opined:

That is straight out of the Communist lexicon.

The Casper, Wyo., newspaper asserts further:

The proposal . . . could not be a greater disservice to this country if it were written in Peking, Moscow and Hanoi.

Being in complete agreement with the Casper Star-Tribune's comment, I ask that the editorial be printed in the CONGRESSIONAL RECORD, together with an April 13, 1967, article from the Rocky Mountain News by Inez Robb covering the same subject.

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

[From the Casper (Wyo.) Star-Tribune, Apr. 13, 1967]

BOYCOTTING THE WAR

The proposal that Negroes and "all white people of goodwill" join together to boycott the Vietnam war by becoming conscientious objectors to military service made by the Rev. Martin Luther King could not be a greater disservice to this country if it were written in Peking, Moscow and Hanoi.

Taken at face value, it would bring to a halt any further buildup of United States forces at the front, if the youth of America took seriously the advice of Dr. King, the civil rights leader who became a Nobel Peace laureate. And if the Government recognized such artificial conscientious objectors. We are certain neither of these eventualities will occur, not even among a significant number of Negroes, who are proving their valor in Vietnam as they have done in the other wars of this century in which the United States participated.

We say that Dr. King's speech might have been written in Peking, Moscow and Hanoi advisedly. Listen to this statement in his prepared address: "The American Government is the greatest purveyor of violence in the world today." That is straight out of the Communist lexicon. It overlooks the treacherous violence that has decimated village leaders, teachers and others by assassination in South Vietnam by orders of the Communist aggressors. It disregards the Vietcong terrorism and sabotage that kills civilians in the streets. It makes no mention of the booby traps set up in the jungles by the guerrillas that have taken a fearful toll of Americans, both white and black. Dr. King made no mention of these atrocities when he denounced violence.

President Johnson has enough troubles directing a war that involves nearly a half million Americans fighting for human rights in Southeast Asia, without anyone here, no matter how prominent, sabotaging his effort. There is no other word for this proposed boycott of the war.

[From the Rocky Mountain News, Apr. 13 1967]

KING'S BELIEFS HURT HIS IMAGE

(By Inez Robb)

No other condition on earth causes such swift, fatty deterioration in a prominent public figure as belief in his own publicity releases. (It has always been a condition common to Hollywood.)

It is now sadly, tragically obvious that Dr. Martin Luther King Jr. is intoxicated by his own publicity, and that he has listened too long and too lovingly to the hypnotic sound of his own pronunciamentos.

During the past 18 months, in Dr. King's constant appearances on television, he has appeared to confuse himself more and more with the Messiah. More recently he has coupled his messianic strictures with the intellectual content of a Cassius Clay.

But Dr. King has outdone himself with his charge that the use of "new" American weapons on the peasants of Vietnam is a counterpart of the Nazi use of "new medicine and new tortures in the concentration camps of Europe."

The Constitution of the country that Dr. King thus assails guarantees him the right of such free speech and protects him from the concentration camps he charges her with duplicating in spirit, if not in fact.

The messianic monkey on his back enables Dr. King to leap about among the oratorical crags at will. Only a week before he likened his fellow countrymen to Nazis. He was opposing the war in Vietnam on the purely pragmatic ground that financially the United States could not fight both the war in Vietnam and advance the cause of racial justice simultaneously.

There is a great number of Americans who believe the war in Vietnam is absorbing money needed at home to eradicate racial inequities, to improve the quality of education for everyone, to create economic opportunity and to rebuild the nation's cities.

Dr. King could have expected sympathetic support from many quarters for the expenditure of more and bigger sums to improve the quality of life in the United States. He is not the only American who fears that the increasing cost of the war in Vietnam means decreasing sums available for vital projects at home.

But Dr. King errs grievously in his estimate of American sensibilities when he permits himself to be carried away by the sound of his own voice into a hysterical denunciation of American tactics in Vietnam as "Nazi."

On the same day that Dr. King accused the United States of following Hitlerian tactics, he deplored the fact "that Negroes and poor people generally are bearing the heaviest burden of this war" and that Negroes are "dying in disproportionate numbers in Vietnam."

Again, Dr. King spoke to a point that disturbs great numbers of his fellow citizens. It is the pressure of this widespread discontent with the draft and the way it works that is leading to the first projected overhaul in the draft law in years.

Americans are far from insensitive to the fact that the draft has fallen heavily on the poor, both white and Negro.

But for Dr. King to suggest that the poor, both black and white, now fighting the war in Vietnam are emulating the Nazis is to put a further indefensible burden on them.

Like other opponents of the Vietnam war, such as Lord Russell, Dr. King cannot hear, see or speak evil of the North Vietnamese. Only Americans, black and white, are bestial, commit atrocities, and torture for fun. The Viet Cong are happy, innocent warriors armed only with peashooters.

His fellow citizens do not exult in the war in Vietnam. In this country there is no war hysteria, except that which Dr. King

and his confreres are attempting to whip up and exploit.

## INDIANAPOLIS STAR REPORTER RECEIVES CHRIS SAVAGE AWARD

Mr. HARTKE. Mr. President, the journalism alumni of Indiana University recently presented the 1966 Chris Savage Award for professional newspapermen to Harrison J. Ullmann, a staff reporter for the Indianapolis Star.

The award is presented each year to the Hoosier newspaperman who most nearly achieves the professional ideals, ethics and standards which Chris Savage gave to a generation of Indiana journalists. His years of dedication on the Indiana University journalism faculty contributed much of what is good in Indiana journalism.

Mr. Ullmann, who is now studying in Washington on an American Political Science Association fellowship, is a worthy recipient of the Chris Savage Award.

He has written with great depth, insight, and fairness about business and economics, education, medicine, and health care, and a variety of urban problems.

He has helped his readers understand some of the critical problems which confront their city, State, and Nation, and he has promoted a calm and rational discussion of these problems.

I congratulate Mr. Ullmann and I wish him well in his career. But I hope that his career does not take him from Indianapolis and Indiana. His work there has been valuable for the progress of the State.

## THE ITT-ABC MERGER CASE

Mr. YARBOROUGH. Mr. President, the proposed merger of the American Broadcasting Co. with the International Telephone and Telegraph Co. is one of the most important merger cases in years.

In his dissenting opinion to the December 21, 1966, order of the Federal Communications Commission, Commissioner Nicholas Johnson offers a brilliant discussion of the issues involved. Commissioner Johnson's dissent is vital to a full understanding of the case. I ask unanimous consent that it be printed at this point in the RECORD.

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

THE ITT-ABC MERGER CASE

(Abridged version of dissenting statement of Commissioner Nicholas Johnson)

I. SUMMARY AND INTRODUCTION

My divergence from the path of the majority in this case is so fundamental that I feel compelled not only to offer a relatively substantial analysis of the merits, but to preface it with a few words of explanation and summary.

The majority opinion contains a thorough statement of the procedural detail of the case (such as when pleadings were filed and hearings held), and I will not repeat it. It is sufficient for my purpose to characterize generally the case before us.

The Communications Act of 1934 vests this Commission with responsibility for evaluating, among other things, all proposed transfers of title to licensed broadcast properties. No broadcasting station license can be transferred, assigned or disposed of without our permission. Our refusal prohibits the transfer. In passing upon applications for transfer the Act provides that we must consider whether "the public interest, convenience, and necessity will be served thereby." Unless we can make such a finding the application for transfer must be denied.

The present case, characterized as a "merger" of International Telephone and Telegraph Corporation (ITT) with the American Broadcasting Companies, Inc. (ABC), comes before us because of the transfer provisions of the Act. Under the merger agreement ABC will transfer title of its seventeen radio and television stations to an ITT subsidiary. Ironically, the properties of greatest public significance, the ABC network and its affiliated stations, are not licensed property of ABC, and thus comes within our jurisdiction only by virtue of their relation to the ABC-owned and licensed stations. In order to "approve the merger," the Commission must find that the transfer of the seventeen ABC-owned stations to ITT will serve the "public interest, convenience, and necessity."

A. The Majority's Procedural Approach Would Have Been Generally Questionable in Any Case, But Has Been Especially so in Light of the Significance of This Merger.

It is deeply relevant to note at the outset that this particular transfer of broadcasting properties is the largest in history, and the largest this Commission is apt to encounter for some time to come. What is the Commission's role and responsibility in such a case? My disagreement with the majority over the answer to that question is far more fundamental than any differences with regard to the merits. For the majority's treatment of this case, in my judgment, makes a mockery of the public responsibility of a regulatory commission that is perhaps unparalleled in the history of American administrative process.

From the time the merger application was first filed, the outcome of this case has been a foregone conclusion. At one point no hearing at all was to be held. Then, as a compromise to Commissioner Bartley's insistence on "a full evidentiary hearing," the Commission proposed an unprecedented, bobtailed "oral" hearing. It was anticipated the Commission would merely meet informally *en banc* with the principals of ABC and ITT and hear their side of the case. Only the questioning of the three dissenting Commissioners extended the case to a scant two days. The questioning of three of the four Commissioners in the majority occupied scarcely eleven full pages in the 607-page record. The fourth Commissioner's questioning was directed principally toward discrediting an FCC staff member, and assisting ITT counsel's effort to demonstrate the absence of any possible antitrust implications of the merger.

The most notable peculiarity of the "oral hearing" was the total absence of any party whatsoever representing the public. There were no intervenors. (Indeed the absence of intervenors is sometimes read by the Commission as evidence that the public interest coincides with the economic interest of the applicant. Needless to say, I do not abide such logic.) More shocking, participation by FCC staff was barely evident. One employee of the Broadcast Bureau presented a very brief recitation of some issues that should be of relevance to the Commission. Most had already been noted by Commissioner Bartley in his dissent to the "oral hearing" procedure. There was no cross-examination by the staff of a single spokesman for the applicants. There were no witnesses whatsoever presented by the staff. The applicants came with able lawyers, economists, businessmen and distinguished citizens. The Commission had none.

To say that the individual Commissioners attended the hearing to represent the public is to totally miscomprehend the administrative process of this Commission. A Commissioner has but one legal and one engineering assistant. Between them they must pass upon a caseload that last year produced 3,030 pages of printed opinions, attend numerous meetings and hearings, and otherwise attend to the awesome business of government involvement in this nation's communications system—a system which includes, in addition to the American broadcasting industry, such matters as telephones, satellites, microwave and mobile radio. ITT and ABC combine financial resources represented by total revenues as well in excess of $2 *billion* annually. It is questionable whether the entire staff of the FCC (with annual budget of $17 million) would be adequate to deal with such corporations, even if engaged in nothing else. Clearly a single Commissioner's office is not. For that reason I make no representation that this opinion, and my own role in the hearing, are in any way adequate to serve the substantial public interest involved in this case.

After the hearing things only got worse. I disclose no confidences when I say there has been considerable urgency within the Commission associated with the disposition of this case. There have been numerous references in the trade press to the fact that a substantial minority of this Commission has been fully prepared to decide the case without even waiting to hear from the Assistant Attorney General (Antitrust).

Assistant Attorney General Donald F. Turner wrote FCC Chairman Rosel H. Hyde on November 3, 1966 that:

"Our analysis to date now indicates a sufficient possibility of significant anticompetitive effects to indicate that substantial antitrust questions are present." Only last evening (December 20, 1966) he advised us once again by letter that,

"We believe the possibilities of adverse effects are significant enough that we should call them to your attention, and that they deserve full and serious consideration by the Commission in making its determination whether, in light of these and other pertinent factors, the acquisition of ABC by ITT would serve 'the public interest, convenience and necessity.'"

Mr. Turner's five-page single-spaced letter thoughtfully presents facts and analyses substantially at variance with the evidence presented to this Commission and, if true, leaves the majority's opinion in shreds. I am simply stunned and bewildered that the majority of this Commission could receive such a letter after 6:00 P.M. one evening and resolve a case of this magnitude before 10:00 A.M. the next morning.

I would think it appropriate to at least read Mr. Turner's letter slowly. Having done so, it seems to me essential that this Commission consider the information the Department of Justice apparently has available to it. Obviously, the majority has prevented that possibility. Accordingly, I simply set forth Assistant Attorney General's letter in full as an Appendix to my opinion. Matters raised by the Justice Department were not the only areas where information was clearly lacking. After cursory investigation it became obvious that the record was woefully inadequate with regard to ITT's foreign operations. When it was suggested that the Commission might write the applicants for additional information, the present majority actually refused to sign the letter which was sent.

Substantial quantities of information were filed in response (although partly evasive of the questions asked). Again questions were posed (again over the majority's abstention), and again quantities of information were supplied. None of us has had adequate opportunity to consider this bulky material—

most recently received on December 8, 1966—anymore thoroughly than the issues underlying last evening's letter from the Assistant Attorney General.

Why this rush? Surely it is praiseworthy for an agency to attempt to dispose of its workload expeditiously, especially for an agency that is repeatedly cited as an example of delay and indecision. No one would defend processing cases for five and ten years, though examples of such abound at the FCC. But on what grounds can one charge "delay" by such an agency for taking more than ninety days to dispose of the largest case in its history?

And now the majority's opinion is bathed in public light. Reading it one is prompted to ask if those four Commissioners even believe the merits relevant to their decision. I make no brief for the analysis I have attempted to provide in this dissenting opinion. But at least I have attempted to identify issues and bring some rational analysis to bear. The Commission's opinion seems to me to have forsaken any such attempt.

The majority appears to be saying that a merger serves the public interest unless individual Commissioners are willing and able to bear the burden of coming forward with evidence, and proof, that it does not. (Indeed, on occasion during the hearing, the applicants were almost hostile in their suggestion that Commissioners were acting with impropriety in even questioning the public benefits from the merger unless armed with proof that potential evil would become reality). The majority appears to believe that some disservice to the public interest can be tolerated if it is not too severe.

Let me simply note briefly my disagreement with such propositions, for within these differences may lie some basis for logical understanding of the very wide variance between my approach and that of the majority.

Congress has provided that, "No . . . station license . . . shall be transferred . . . except . . . upon finding by the Commission that the public interest, convenience, and necessity will be served thereby" I believe such language contemplates that some transfers would *not* serve the public interest. I believe such language presumes that this Commission must seek and examine evidence that the public interest *will* be served by a given transfer. I believe the burden of coming forward with such evidence is on the applicants. I believe the burden of proof is on the applicants. I believe that without such evidence a proposed merger must be disapproved. I believe credible evidence of probability that the public interest will be disserved by a merger precludes our finding that it serves the public interest.

If these assumptions be accepted, then the dissent which follows flows logically. If they be rejected, much of my opinion falls. In it the following arguments, here summarized, are expounded and documented at greater length.

B. The Majority's Substantive Analysis Fails to Take Account of the Absence of Evidence to Support the Applicants' Case, and the Substantial Evidence of Probable Harm to the Public Interest.

The merger was conceived in pursuit of personal and corporate interests wholly unrelated to the public interest. ABC President Goldenson wished to retain control of a corporation threatened by a dissident minority. The value of his personal stockholdings has increased by about $3 million since the merger was announced. ITT President Geneen sought to promote further growth through acquisition, and favored American corporations over foreign because of the present foreign-American balance in ITT's holdings. Prior to its merger with ABC 60 percent of ITT's income was from foreign sources. ABC will be one of ITT's largest subsidiaries. Such motivations are, of course, not necessarily inconsistent with serving the public interest in American broadcasting. But this explanation certainly puts the case for "the public interest" in unique perspective. And presumably no one would contend that these reasons, taken alone, are adequate to sustain the majority's approval of the merger.

The public interest in broadcasting will be significantly harmed by the merger. It will place one of the largest purveyors of news and opinion in America under the control of one of the largest conglomerate corporations in the world, a company that derives 60 percent of its earnings from foreign sources and 40 percent of its domestic income from defense and space contracts. The possibility that the integrity of the news judgment of ABC would be affected by the economic interests of ITT is a real threat, without regard to the character of the present management of ITT and ABC and their protestations that no possibility of harm exists. ITT's economic interests are daily affected by what American citizens know and think about what is going on in their country and the world. Moreover, to permit ITT to take over ABC tends to inhibit competitive forces in the broadcasting business. It permits self-serving understandings between ITT's subsidiaries and ABC's advertisers. It removes ITT as a potential owner of a new network, or broadcast properties not associated with a network. It makes it more difficult for a fourth network to come into existence. It tends to remove ABC as a party of protest to the international communication common carrier rates charged by ITT.

These reasons, standing alone, should leave little doubt in anyone's mind that the merger should not receive a blithe imprimatur from this Commission.

But there is another side to this case. The parties' side. What have ITT and ABC argued in support of the "public interest" served by the merger? Does it make sense?

The principal argument of the applicants, and the majority, is that the merger will permit ABC to become a stronger, more competitive network. Each proposition advanced in support of this argument, however, simply fails to withstand analysis. ABC is substantially competitive with the other two major networks today. To the extent it is not, the evidence supports the view that the public is benefited by ABC's more innovative programming, not harmed. Certainly no one offered any evidence that ABC's programming is inferior to that of CBS and NBC—quite the contrary. The company is in good shape financially. Its earnings continue to increase. It has plans for expansion—made before proposal of the merger, and perfectly capable of execution without assistance from ITT. Moreover, ITT has made no specific commitment of funds to ABC. Indeed, Mr. Turner has advised the Commission that,

"ITT's estimates indicate that ABC's earnings growth rate over the next five years would be 16%. More importantly, it was anticipated that after capital expenditures and debt repayment, and assuming ABC continues in third place, it would yield a cash flow approaching $100 million between 1966 and 1970, almost all of which was thought by ITT to be available for reinvestment *outside* the television business."

But most fundamental is that, to the extent ABC is not fully competitive, the reasons lie wholly in the number and competitive position of its affiliated stations. The merger can in no way affect that fact. The growth of UHF television can—and will.

Thus, even ignoring the substantial public detriment that will be caused by this merger, the Commission is not warranted in approving it in my judgment. The applications have simply failed in sustaining their burden of proving that at least some public benefit will be derived from their merger.

And so I am brought to the substance of my dissent. But before I begin my analysis of the merits I wish to add one final word. That feelings about this case run high is obvious—and irrelevant to my evaluation of the issues. I think highly of both Mr. Geneen and Mr. Goldenson, the Presidents of ITT and ABC. Each has rightfully made a reputation for himself as one of the ablest men in American business today. We are fortunate to have them. I think it probable America would be more benefited from their continued individual, than from their newfound collective talents. We shall see.

A. ITT's Foreign and Defense Interests are Potentially Inconsistent With the Integrity of ABC's News Reporting.

The principal danger which inheres in this merger is not difficult to comprehend. Even the majority recognizes it. It is the potential conflict of interest between the business interests which comprise ITT and ABC's broadcasting responsibility to the public, especially in news and public affairs.

The ITT system represents a unique mixture of foreign interests and domestic companies involved in defense and space work. It is probably the outstanding example of an American corporation with inherent structural impediments to the wholesome, independent operation of a radio and television network and seventeen broadcasting stations.

Congressional concern with foreign involvement in American broadcasting companies is strongly evidenced in the Communications Act of 1934. In fact, the irony in today's decision fairly seethes when one realizes that the Congressional hearings on the 1934 Communications Act reveal that Section 310(a) was the product not alone of legitimate generalized concern. It was aimed at one company in particular: International Telephone and Telegraph—the very company which now seeks to control ABC.

A hint of the involvement of ITT officials in foreign affairs is conveyed by the fact that three of them are members of foreign legislative bodies, two of the British House of Lords and one of the French National Assembly. Another is a former premier of Belgium. And several have positions with ministries of foreign governments or as officials of government-owned industries. Three directors of the Chilean telephone subsidiary are appointed by the Chilean government, and that number will increase progressively until seven members of the fifteen-man board are appointed by the government.

ITT is bound by contract, once approved by the Chilean Congress, to sell 49 percent of the stock in the telephone subsidiary to the government and other Chilean interests. ITT owns 13 percent of the shares of Indian Telephone Industries, Ltd., of which the Indian government owns more than 75 percent. ITT owns 20 percent of a French telecommunications research company of which the French government is the majority stockholder, and 5.5 percent of a Swedish company in which the Swedish government is a 50 percent stockholder.

Such example are provided merely to illustrate the character and depth of ITT's close involvement with the governments of foreign countries. They do not begin to exhaust the matter. Any company which derives 60 percent of its income from foreign sources, and has subsidiaries in more than forty countries, obviously will develop an almost unlimited number of relationships and responsibilities in those countries.

Certainly ITT is aware, even if a majority of this Commission is not, that such an international corporation must involve itself closely in the affairs of foreign governments. At the last annual stockholders' meeting, ITT's president reported,

"On all fronts today, ITT is expanding its activities and responsibilities. We now employ over 200,000 persons in more than 50 countries, *representing an extensive involvement and responsibility in the economies and societies of the countries* in which we operate." (Emphasis added)

The company has often aroused the enmity of foreign governments and peoples. There were riots directed against ITT in Spain in the early 1930's. ITT property has been expropriated in eight countries, including Brazil.

Nor are ITT's problems in this respect a thing of the past. Only two weeks ago, there were reports of the almost unanimous opposition of the Peruvian Senate to an increase in telephone rates negotiated by the ITT-owned telephone company and the government of Peru.

Policies of the United States government are of no less concern to ITT, because of the effects they may have on ITT's foreign investments. At annual meetings of ITT's stockholders reports often are given on foreign affairs. In 1964, doubtless referring to the aftermath of the Brazilian expropriation, when ITT was able to exact much better terms of compensation than were originally offered, President Geneen told the gathering:

". . . during the year 1963 the security of all our operations in underdeveloped countries was considerably strengthened by better government-to-government understanding on the part of our own government and the governments of other countries, particularly in Latin America."

That ITT has been very active in advocating self-serving policies to our government was quite clear.

The conflicts which necessarily arise when a company so heavily involved in foreign affairs owns a radio and television network are innumerable and continuous. Only the future can provide specific examples, but it is not difficult to imagine quite plausible possibilities.

Chile, Peru, Brazil or India might someday wish to nationalize the telephone companies which ITT now owns in whole or in part. It has hapepned to ITT in the past and could easily happen again. ABC news and public affairs personnel would have to comment on the nationalization and might wish to editorialize or treat the affair at length. If one admits the possibility that such nationalizations could be put in a favorable light, the potential for conflict with ITT's economic interests is obvious.

Even less confiscatory actions, such as higher taxes, might prompt ITT to encourage retaliatory policies by the United States. ITT had done so in the past by encouraging the Hickenlooper Amendment and might do so again. If the ABC News staff felt retaliation unwise, again a conflict would exist.

The number of potential conflicts is endless. One extreme, but not implausible additional example might be offered. A dissident rebel movement could develop in a country where ITT had large investments. Brazil is the scene of recurrent anti-Government agitation, and ITT is heavily engaged in that country. Suppose ABC News wished to produce a documentary picturing the rebellion as justified, and the government of Brazil insisted that the program not be shown? Would anyone in ABC News be inclined or feel free to propose the show in the first place? Would they be able to withstand suggestions from within or without ITT that ABC News' resources might better be used on other assignments? The added leverage which the government of Brazil could exert because of ITT's Brazilian holdings would be substantial.

If such a situation seems unlikely, one need only think of the boycotts by Arab countries of companies which do business with Israel. In Spain, where ITT has very large holdings, the Government has been boycotting a motion picture company since 1964 because one of its movies, "Ride a Pale Horse," dealt with the Spanish Civil War in a manner displeasing to the government.

With all the inherent difficulties in obtaining accurate information from abroad, why risk even the remote possibility that news judgments presented to the American people might be distorted to serve ulterior corporate economic interests? What conceivable justification could there be for government's participation (through today's action by this Commission) in the creation of a corporation that constantly will be confronted with a conflict between its own best economic interests and the needs of our people, and our government, for broadcasting journalism of completely unimpeachable integrity from around the world?

Foreign relations provide a dramatic but by no means exclusive source of conflict between ITT's business interests and its duties as a broadcaster.

ABC might want to run a documentary favoring the use of domestic satellites for broadcasting. (Indeed, it happens to have been ABC that first proposed such a use, leading to the FCC hearing that produced the now famous Ford Foundation proposal for financing educational television with the money saved by broadcasting via satellite). ITT might have opposed this proposal because of its interest in the Communications Satellite Corporation.

ABC might want to criticize the high level of defense spending, or the large sums being expended in the space effort, or even present programs which discuss conflicting views. Because of ITT's interest in both defense and space work, such positions would jeopardize ITT's economic interests.

ABC might editorially favor truth-in-lending legislation, while ITT finance subsidiaries would presumably be opposed.

In these and countless other ways ITT, as the owner of ABC, constantly will be faced with the conflict between its profit-maximizing goals—indeed, obligations to shareholders—which characterize all business corporations, and the duty to serve the public with free and unprejudiced news and public affairs programming. The issue is both whether anything damaging to ITT's interests is *ever* broadcast, as well as *how* it is presented.

The best we can do is try to provide as much insulation as possible for the industry's programming from extraneous economic considerations. The worst we can do is to encourage mergers like this, which expose businessmen to the daily temptation to subvert the high purpose and indispensable role of the broadcast media in a free society.

Subtle pressures on ABC officials to serve ITT interests cannot be eliminated by the most scrupulous adherence to formal independence for ABC and its editorial staff. ABC personnel will, on their own initiative, consider ITT's interests in making programming decisions. Institutional loyalties develop. These are often reinforced by the acquisition of stock in the employing company—now ITT stock, not ABC. And most important, it will be impossible to erase from the minds of those who make the broadcasting decisions at ABC that their jobs and advancement are dependent on ITT.

If ITT is like most major corporations, it spends vast sums to influence its image and its economic relations—through advertising, public relations, and Washington representation. I am afraid I must concede that the assurances we have been provided—that ITT will be totally oblivious to the image created for it by its own mass media subsidiary, ABC—simply strain my credibility beyond the breaking point. Are we to accept, on the parties' own self-serving assurances, that although ITT may continue to exert pressure as an advertiser on the programming of CBS and NBC, it will exert none as an owner on the programming of ABC? Whether it be the product of realism or cynicism I simply must part company with what I believe to be the majority's naive and unreasoning faith in the parties' "express, positive and binding representations as to future performance."

If the majority could point to any significant action which this Commission has taken in the past to assure the integrity of the news I might have greater faith in its "continuing scrutiny." In fact the examples are rare and trivial. There is neither monitoring nor preservation of the broadcasting product. Thus the raw data does not even exist from which to determine how licensees treated subjects which affected their other business interests should some future "eternal vigilance" require such information. Moreover, too close a scrutiny could be mistaken for censorship or intimidation, which our laws and Constitution forbid. No, the only practical way to combat untoward use of broadcasting facilities by conglomerate corporate ownership is in providing the proper structure for the industry in the first place. When the majority rejects that truth it thereby effectively abdicates responsibility for this most "vital element of broadcast service."

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## THE WYOMING STATE TRIBUNE EDITORIALLY SUPPORTS BATTLESHIPS FOR VIETNAM

Mr. HANSEN. Mr. President, my recent Senate speech, in which I proposed that two battleships be withdrawn from our inactive fleet and recommissioned for employment in destruction and interdiction activities off the coast of North and South Vietnam, drew the editorial attention of the Cheyenne, Wyo., State Tribune.

Editor James M. Flinchum, in alluding to my remarks, notes that—

The battleship is made to order for use in the Vietnam war, and the wonder is that it hasn't been employed before this time.

Mr. Flinchum suggests further that:

The Johnson Administration and the Defense Department owe it to our Air Force and naval pilots and plane crews; to the ground forces in action, to their families and most of all, to this country, to conduct this war as if it were a war and not a political Indian-wrestling match. This requires using all of the effective weapons at our command including obsolete battleships which, considering the present aspects of this war at least, may not be so obsolete after all.

Mr. President, I request that the April 13 editorial from the Wyoming State Tribune be printed in the body of the RECORD with my remarks.

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

BRING UP THOSE BIG GUNS

Cliff Hansen had been studying the idea of recommissioning battleships for floating offshore firepower in Vietnam, for some six weeks before he broached it on the Senate floor yesterday. While it may seem incongruous to some that an inland senator should make a naval proposal, it must be equally apparent that some of our sea-faring notables came from places far removed from the U.S. coastal regions.

The Wyoming Republican did not say so in his speech to the Senate, but there is some divided opinion within the Navy about the employment of battleships as floating gun platforms off Vietnam. Naval commanders in Vietnam waters and especially some ground force representatives of the Navy, including Lt. Gen. Lewis Walt (from Fort Collins), the top Marine field commander in Vietnam, favor using the huge battlewagons to supplement present cruiser and destroyer fire support missions delivered to ground troops.

But the top echelons of the Pentagon naval brass, which probably reflect ideas of

Secretary McNamara, are reported to be opposed to recommissioning the battleships.

Their thinking is reported to follow the line that taking the great battleships that played such an important role in World War II and the Korean War, out of mothballs and putting them back into service, would amount to an act of escalation by saying, in effect, we have no hopes of peace within the next year, since it will take approximately that long to put one of these huge ships into service.

But this is precisely one of Senator Hansen's arguments why we should take this step, because it would serve notice on the North Vietnamese and their not-so-shadowy allies, the Communist Chinese and the Soviet Union, that this country is moving to settle the war in Vietnam. So long as the Johnson Administration fitfully pursues the will-o-the-wisp of peace, or at least a ceasefire, so long shall Hanoi and its friends be encouraged to continue the struggle.

From a purely tactical concept, however, nothing appears so reasonable as the use of the firepower of ships like the Iowa, Missouri, Wisconsin and the like. These huge vessels have batteries of nine 16-inch guns, each of which can throw a shell weighing 2,700 pounds a maximum of 24 miles.

As anyone can testify who has ever operated under the cover of offshore naval fire support, the destructive capability of such firepower, its accuracy and its efficiency are wonders to behold compared with other forms of conventional military weaponry.

The aircraft bomb usually is advertised in advance even with today's jet planes; furthermore, it is dropped in a free fall from a swiftly moving vehicle, whereas the artillery explosive is hurled with terrific force so that depending on the type of shell, it can burst above, at, or beneath the ground where its impact is desired. A 16-inch shell at 2,700 pounds packs a terrible destructive force compared with our aerial bombs at 750 pounds.

Not only this, but operating at the direction of a naval forward observer team on the ground or in the air, the battleship can perform its task within its 20 to 24-mile range more efficiently (less chance of mistaken bombing of friendly troops or of civilians) and at virtually no hazard to the deliverers of this firepower.

The battleship is made to order for use in the Vietnam war, and the wonder is that it hasn't been employed before this time. How many Navy and Air Force pilots' lives would have been saved by its use along the Vietnam coastal region is classified, although Hansen's office says the Pentagon has furnished it with a map showing a line within which 16-inch naval gun support could have been delivered during the past two years, in South Vietnam alone. Within that area an undisclosed number of U.S. planes have been shot down or lost in combat action, with a monetary loss alone equivalent to the cost of recommissioning of three battleships.

Hansen is suggesting that only two battleships be refurbished and put back into use for this purpose. This, he says, would cost the equivalent of a half day's expenditures by this country on the Vietnam war.

So it is clear from this casual glance, that this country is overlooking a chance to save many lives of our pilots in the future, to say nothing of the aircraft that may be lost on ground support missions alone within the 20-mile inshore line stretching along the Vietnamese coastline and including navigable waters in which the battleships may operate.

The Johnson Administration and the Defense Department owe it to our Air Force and naval pilots and plane crews; to the ground forces in action, to their families and most of all to this country, to conduct this war as if it were a war and not a political Indian-wrestling match. This requires using all of the effective weapons at our command including "obsolete" battleships which, considering the present aspects of this war at least, may not be so obsolete after all.

## NEGOTIATIONS ON AMERICAN GRAINS IN THE KENNEDY ROUND

Mr. JORDAN of Idaho. Mr. President, I am pleased to serve on the Joint Economic Committee with Congressman THOMAS B. CURTIS, of Missouri, who is our ranking Republican member. Mr. CURTIS also is second ranking Republican on the House Ways and Means Committee and in this capacity he has been appointed by the Speaker of the House to be a congressional delegate for trade negotiations.

Congressman CURTIS has fulfilled his responsibilities as a congressional delegate in an unusually thorough way and he has reported periodically to the House of Representatives and the American people on the difficult and delicate international trade negotiations taking place in Geneva.

On Monday, April 10, Mr. CURTIS reported on the critical negotiations on wheat and feed grains. In his analysis, he explored the important issues at stake. He described the trade interest of the United States in maintaining its European wheat and feed grain markets and the potentially damaging effect on our grain exports of the European Economic Community's common agriculture policies. In this context, he outlined the efforts being made in the Kennedy round to maintain U.S. markets and at the same time to agree on a means to share the burden of supplying wheat to needy undeveloped countries.

Congressman CURTIS' exposition on this extremely complex aspect of the extremely complex trade negotiations at Geneva are a thought-provoking contribution to an understanding of the vital issues involved in the current talks in the Kennedy round. I commend them to my colleagues in the Senate for their consideration. I ask unanimous consent that Congressman CURTIS' report be printed in the RECORD.

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

THE KENNEDY ROUND AND THE FUTURE OF U.S. TRADE POLICY: AN EVALUATION OF PROGRESS AND ISSUES IN THE SIXTH ROUND OF TRADE NEGOTIATIONS UNDER THE GENERAL AGREEMENT ON TARIFFS AND TRADE

(By Hon. THOMAS B. CURTIS, of Missouri)

The "Kennedy" Round of trade negotiations has now reached the period of ultimate decision. Less than three months remain until President Johnson's authority to negotiate under the 1962 Trade Expansion Act expires. Only a few weeks remain until the April 30 agreed deadline for completing the package of bargains. This report, given to fulfill my function as a Congressional Delegate for trade negotiations appointed under the Trade Expansion Act, is an evaluation of the progress of these important international negotiations at their most critical juncture. It is my third such report, the first having appeared in the CONGRESSIONAL RECORD, volume 111, part 9, pages 12360–12366, and the second in the CONGRESSIONAL RECORD, volume 112, part 14, pages 11856–11869. Yet another report, on cotton textiles, that discussed many related issues, appeared in the CONGRESSIONAL RECORD, volume 112, part 16, pages 20966–21003.

Because what is achieved or not achieved in the Kennedy Round will shape the future of international trade and trade negotiations, this report will hopefully also provide a basis for future discussion. I have prepared it in the thought that it may be a a reference source for those citizens and public officials, including members of Congress, who wish to examine into and understand the forces at work in this important area of U.S. foreign economic policy. International trade—exchanges of goods and services—affects the economic well-being of all Americans. And it is also important as part of an integrated foreign policy which understands and uses trade as a means to promote peace and prevent war.

This evaluation and report will be delivered in successive sections, discussing first the major agriculture sectors, with emphasis on grains and dairy products. I will then describe the industrial negotiations, including iron and steel, cotton textiles, chemicals, aluminum and pulp and paper. I will conclude with a discussion of other-than-tariff trade barriers, including anti-dumping. The problems providing means whereby the developing countries can improve their trade earnings will be treated in a discussion of tropical agriculture products, and cotton textiles.

For five years the Kennedy Round has preoccupied the attentions of Americans interested in foreign affairs and trade. For Atlanticists the Kennedy Round has held the promise of a more tightly-knit Atlantic Community. For those essentially concerned with Communism, the Atlantic solidarity and prosperity promoted by the Kennedy Round might strengthen the "West's" ability to oppose the Communist "East." For those who believe in the importance of integrating the world's developing economies more closely with the industrial economies and establishing the conditions for their faster economic development, the Kennedy Round has held great promise. To those doctrinally committed to "free trade" the Kennedy Round has promised the longest step forward in two decades, while the anxiety of those who believe that the first duty of an American is to favor American industry has been lessened in respect to the Kennedy Round by the evidence of U.S. negotiators' emphasis on reciprocity.

KENNEDY ROUND IN A NEW CONTEXT

One importance of the Kennedy Round is its promotion of fair competition as one of the factors in promoting trade expansion.

The concentration of high rates of trade growth in specialized industrial manufactures is said to give foreign trade an important, or "leading," role in economic growth. The explanation seems to reside in increasing specialization and exploitation of economies of scale. Harold Van B. Cleveland in "The Atlantic Idea and its European Rivals" published for the Council on Foreign Relations in 1966, summarizes this idea as follows:

"Most of the advanced industrial nations are at a stage of development where, for a growing part of their industrial output, a high rate of growth depends on an expansion of output more rapid than is possible within domestic markets. Growing international specialization has become a condition of maintaining a high rate of industrial growth. . . . Specialized products account for a growing proportion of industrial output and play a 'leading' role in economic growth."

This conclusion is borne out by data that compare the growth of world output of goods and services in relation to world trade in goods and services.

Trade analyses agree that before World War I, when relative freedom of exchanges

of goods and services and payments prevailed, output grew at annual rates of about 4%, and world trade grew faster than output. But between 1928 and 1949 the average growth in trade fell drastically as a result of the economic and political effects of the Great Depression and the Second World War, and annual rates of growth of output also declined.

DYNAMIC GROWTH IN THE FIFTIES AND SIXTIES

But the experience of the 1950's, and of the first half of the present decade, showed that the rate of increase in manufacturing output was much larger even than in the booming decades before World War I, and that the growth of world trade was even greater, reaching a compound rate of 6.6% a year for manufactured and primary products combined. Much of this trade expansion is considered the result of trade barrier reductions during the 1950's.

Given these underlying forces it is difficult to understand how a highly advanced economy such as the United States' can suffer in world trade as long as it remains aggressively competitive—devoted to implementing market-place economics. A central goal of economic policy should therefore be to maintain a strongly innovative economy. This goal requires a combination of policy tools. One of them is foreign trade based on fair competition. A trade policy seeking to allow competitive forces to play is healthy not only for the United States but for the world economy.

In this new context is found the importance of the Kennedy Round and future trade negotiations. Against this background I will discuss below the major issues in all the important sectors of the Kennedy Round.

ASSESSMENT, BALANCE, WITHDRAWAL—SOME ELEMENTS OF TACTICS

Since my Report to Congress on the progress of the negotiations on May 31, 1966, and my report on the trade policy issues raised by the Long Term Cotton Textile Arrangement on August 29, 1966, some major tactical moves have been made. The most important of these has been the assessment of offers of the 16 so-called "linear" participants in the negotiations. [Linear participants are those which have agreed in principle to an across-the-board or "linear" percentage cut in tariffs on all but a bare minimum of traded items.] The assessment effort was part of the negotiating plan devised by GATT Director-General Eric Syndham White, and the date set for the presentation of assessments was November 30. This could not accomplish precise balancing because it was based on some assumptions about the outcome of the negotiations. But it was valuable because it recapitulated the negotiations to date. All negotiants except the EEC met the November 30 deadline.

For the United States this was a two-part exercise of great importance. The assessment of offers was undertaken during the fall by economists of the Office of the Special Representative for Trade Negotiations in order to determine the "balance" (or imbalance) of other nations' offers. The Commerce Department also made an independent assessment of the "gap" between what the United States is offering and what we are offered by others. Both estimates of imbalance with all other negotiating countries come near to about $2 billion total deficit for the United States.

At the same time, through extensive study and decision by the Interagency Trade Staff and Trade Executive Committees, a withdrawal list was being determined. The Trade Executive Committee (TEC) includes representatives at Assistant Secretary level from the Departments of State, Commerce, Interior, Labor, Agriculture, Treasury and Defense, chaired by Ambassador William Roth, Special Representative for Trade Negotiations.

The TEC instructed its subsidiary committee, the Trade Staff Committee (TSC) (composed of senior policy officials of the departments represented on the Trade Executive Committee) to draw up a list of items that would be the most appropriate to be withdrawn if necessary. Items chosen were to be those economically "sensitive" to tariff cuts, other than those items not already on the U.S. exceptions list.

The Trade Executive Committee met in late November in Geneva where the difficult final decisions on possible withdrawals were made. The result was a listing of items in these categories of priority: first priority were items "certain" to be affected by cuts; second priority were those that likely would be affected; third were those likely to be only marginally affected.

ASSESSMENT AT GENEVA

Then, in bilateral meetings with the major participants in the negotiations, the Deputy Special Representative in charge of the negotiations at Geneva, Ambassador Michael Blumenthal, presented the U. S. assessment of offers. In his presentations the Ambassador explained to the foreign representatives opposite him the several methods by which the United States had calculated the balance of offers as a part of the assessment exercise. Among these methods were: 1) an evaluation of offers on the basis of weighted trade in items subject to cuts; 2) an analysis of the trade creating or diverting effects to try to determine, using three sets of elasticities, whether U. S. exports would increase or decrease; 3) a calculation of losses of duties collected; and 4) a calculation of the volume of imports on which offers were made.

Ambassador Blumenthal also submitted a list of concessions the United States would like to obtain from each country, and, finally, a select list of items for withdrawal to indicate hypothetically what the United States will likely withdraw if new offers sufficient to achieve balance are not put on the table. The U. S. intention during these assessment meetings was to make clear that full U. S. offers would remain on the table if the offers of certain other participants were improved sufficiently to achieve reciprocity.

The participants with whom the United States determined an unfavorable balance were primarily Japan, Canada, and the EEC. With the United Kingdom there was also a slight lack of balance, each side, however, assessing its imbalance with the other at nearly the same dollar value. The items in dispute could be said to be mainly tobacco and whiskey of Scottish origin. Of these assessment meetings I attended those with the representatives of Japan, Canada and the United Kingdom.

THE UNITED STATES, THE EUROPEAN COMMUNITY, AND THIRD COUNTRIES

But clearly the most important such assessment or balancing exercise was that held with the EEC. On the EEC offers depend the offers of many other participants, all of whom have indicated that those of the EEC are insufficient. If each one of these countries were to act on its decision that EEC offers were not sufficiently in balance with its own, and were to retract offers, such country would of course attempt to withdraw from negotiation those offers that were of principal importance to the EEC, and to maintain those of interest to others. But, inevitably, many such withdrawals would affect third countries, including the United States, simply because they are subject to the most-favored-nation (MFN) rule, which in essence requires that a concession made to one country must apply to all.

The focus of U. S. and third country diplomacy and negotiation thus continues to be to improve EEC offers where they are insufficient. By increasing these offers the maximum results can be obtained for everyone, particularly third countries such as the members of the European Free Trade Association, which have made very generous offers. Developing countries will also benefit from deep cuts in EEC tariffs.

A GROWING DISTORTION IN EUROPEAN TRADE

The growing economic chasm between EFTA and the EEC, creating as it does an unnatural division of Europe into two trading blocs of unequal size, is cause for alarm to certain EFTA members in particular. As a customs union the EEC prefers its members by creating a duty-free internal market. At the same time it necessarily discriminates against non-members by excluding them from the union by means of a uniform common external tariff (CXT), and other devices.

Thus traditional markets of non-members are often absorbed by union members because of their new specially-favored access to the Common Market. The creation of a common external tariff applicable to all members has the special effect of raising duties on some countries' exports while lowering duties on others. Thus a traditional supplier may find that the duties on a major export item to a low-tariff country are increased by the averaging of tariffs to create a CXT.

A case in point is butter from Denmark, which used to supply the German market in large quantity. As tariffs among EEC members have fallen relative to external tariffs, the Netherlands has increasingly supplanted Denmark in provisioning Germany with butter. This "Danish dilemma" is illustrated by the fact that the former largest single Danish export, shipments of cattle and beef to the EEC worth more than $100 million in 1965, has virtually come to a stop.

These factors impel Denmark, and other countries in much the same plight, to seek association or membership in the EEC. Even West German "lands," or states, are suffering. Formerly linked by trade ties to areas including non-EEC members, two lands in particular, Bavaria and Schleswig-Holstein, find the trade creating effects of the EEC unable to balance the trade diverting effects of the separation from their old economic ties with EFTA countries. These are the reasons why the EEC's common external tariff must either be negotiated down, or excluded countries like Denmark must join the larger grouping.

EFTA as a group would eventually like to form a union with EEC; Spain and Israel would also like to become associated. Turkey and Greece have already been blessed by association agreements. The line grows longer while, ironically, the ability of the EEC to achieve the needed internal consensus successfully to integrate new members diminishes.

The Kennedy Round was conceived as a principal means of reducing the growing chasm between European economic blocs. If it does not bring that result, it will have been a failure in a major sense.

NORDIC COUNTRIES BARGAIN TOGETHER

The division of these two major European trading areas and its economic side effects, and the imbalance between EEC offers and other nations' offers, have led several EFTA members to attempt a new negotiating approach. Denmark, Finland, Norway and Sweden have joined in a "Nordic front" to negotiate single agreed lists of tariff offers and withdrawals. The joint Nordic approach was necessitated by the insufficiency of EEC offers, and there are now signs that it has

been effective. At its January 10 meeting the EEC Council of Ministers improved its offers to the Nordic countries somewhat. These improvements will fortunately also benefit the United States under the most-favored-nation rule.

So much for this sketch of some major developments in the scheme of the negotiations. These extremely complex negotiations are commonly divided into four main groups, each with its own subdivisions. The main groups are agriculture negotiations, industrial negotiations, negotiations in the area of non-tariff barriers, and negotiations with developing countries.

Within the agriculture sector, which I will discuss first, negotiations are carried out in several committees for various products: cereals, meats, dairy, other temperate products, and tropical products. Within the industrial sector five large areas with special problems, steel, chemicals, textiles, paper and pulp and aluminum, have been treated individually. In the area of non-tariff barriers antidumping has become preeminent, and while other non-tariff barriers find their way into the negotiations, notably the American selling price issue and the European "road tax," they do so largely in the context of industrial bargaining.

AGRICULTURE AND INTERNATIONAL TRADE NEGOTIATIONS

Agriculture negotiations in the context of the Kennedy Round are best understood as a beginning—a beginning in reconciling conflicting national agriculture policies almost predestined to create clashes of national interests. These clashes of interest have now become acute because nations generally have failed to develop economic principles to deal with agriculture. Instead they have developed multitudinous political mechanisms to control domestic agriculture sectors.

The tools of national agriculture control have not been the traditional tools used to control trade in industrial sectors, namely tariffs. Rather, the tools have been direct intervention in markets to buy and sell commodities, with the objective of maintaining prices and guaranteeing to farmers a certain level of income deemed to be "fair" without relation to real economic forces.

Particularly since the war, during which U.S. agriculture had expanded so greatly, policies of price maintenance for current production have created a world agricultural surplus, acute in many countries, in periods when world commercial demands had not grown sufficiently to absorb it. But for traditional exporters of agricultural products, like the United States, the problem of surplus was not unusually serious until the buyers of their output began to produce farm commodities in sufficient quantity to begin to approach self-sufficiency.

TRADITIONAL U.S. AGRICULTURE MARKETS CHALLENGED

In the 1960's the United States found that its traditional largest purchasers in Europe were beginning to adopt farm policies which would result in increased domestic output. To justify such policies of agricultural autarchy were adduced balance-of-payments arguments and the real need for reconstruction of agriculture sectors damaged and retarded from technological development by the war. Also important, however, was the feeling that a strong agriculture sector is necessary for national security in time of emergency. This argument, understandable in the context of the post-war period, is cited today as an important motivation for EEC farm policy.

In pursuit of policies of agricultural self-sufficiency and balance of payments equilibrium, and in order to implement the requirement of the 1957 Treaty of Rome establishing the Common Market that agriculture policies of the Six be harmonized, the EEC began to formulate its common agriculture policies (CAP's). The first United States encounter with these revolutionary new policies came during the Dillon Round—or the fifth round of negotiations under the General Agreement on Tariffs and Trade—which took place in 1960–62.

CONFRONTATION ON EEC AGRICULTURE POLICIES AT THE DILLON ROUND

Recounting some of the history of the Dillon Round and agriculture gives a better perspective of the present agriculture negotiations. The United States has in fact been involved in negotiations on the EEC's common agriculture policies for far longer than many of us think. But it is accurate to say that in fact the full portent of the EEC's policies did not come home to us until in 1960 the EEC explained its agriculture policies at annual GATT agriculture consultation meetings.

In the Dillon Round, the Community withheld certain items such as grains, rice, poultry, dairy products and meat from the negotiations because for these products they planned to establish common agriculture policies based on variable fees. In many of these products the United States had previously obtained duty reductions and even zero bindings at GATT negotiations. The Community's intention to adopt common agriculture policies meant that it would have to negotiate with the United States and other countries any alterations in GATT obligations which other member countries had made previously. In some products, like soybeans and variety meats, satisfactory alterations were agreed upon. But for many products, such as grains and other products named above, the Community refused to negotiate satisfactory bargains that would assure us the same treatment under the common agriculture policies as we had had previously.

HISTORY OF THE VARIABLE LEVY IN TRADE NEGOTIATIONS

The effect of the common agriculture policy if based on the variable levy system was to establish a system of import charges that fluctuated day to day and was therefore not the result of international tariff negotiation but of determination by an administrative authority. Under the rules of GATT, specifically Article XXIV (5) (a), average levels of protection of a customs union cannot be higher than those of its component members. But the General Agreement has never been specifically interpreted to disapprove variable levies in the same way that it disapproves of quotas.

The new EEC agricultural policy had not been formulated in detail nor had it been agreed upon by 1961, but its outlines were clear. Also quite clear was that a common agriculture policy on these lines would be demanded by France as the price of progress toward more complete economic union and finally political integration of the Common Market.

THE IDEA OF GUARANTEED ACCESS

Instead of opposing inalterably the variable levy system at the Dillon Round, the United States proposed as compensation for the violation of GATT rules a type of "guaranteed access" to the European market in commodities of which the United States was even then a large supplier. In addition it sought cuts in tariffs on agriculture items not to be covered by the variable levy system.

In response to American demands EEC negotiators would only, however, offer assurance that the variable levy system would not be operated in such a way as to damage U.S. exports. Such assurance of course contradicted the intent of the variable levy system, which when in full operation was in fact intended to prevent competition from outside the market—that was simply the objective of the system.

Thus the United States in 1961 chose not to oppose the variable levy system per se. The President and his advisers decided that the variable levy would be the price the United States would pay for the growth of the EEC and for other concessions in the Dillon Round.

The Dillon Round agriculture stalemate was broken when the United States assented to complete negotiations without resolving satisfactorily the deep problems created by the emerging common agriculture policy on wheat, feed grains, poultry, meat and rice. But the U.S. acquiescence was considered only the end of the first round: the Trade Expansion Act contained a requirement that the next negotiations under its authority be concerned equally with agriculture. It was to be the forum in which the agriculture problems left unresolved by the Dillon Round would be rectified.

THE LEGACY OF THE DILLON ROUND

In retrospect it is now easy to observe that the United States indeed paid a very high price for this decision of the Dillon Round. Though we maintained our option to continue to seek satisfactory compensation for the violation of GATT obligations after the Dillon Round we did so in the context of the common agriculture policies themselves. We have therefore only in a sense "accepted" those systems, but only in that we have agreed to try to modify them until they became compatible with sound trade principles.

A more effective approach might have been steadfastly to refuse to accept the common agriculture policy as we saw it developing, and to have demanded compensation in terms of the previous levels of duties. The price of this position may have been the failure of the Dillon Round and perhaps also the failure of the European Community. But the result is that the United States, in the absence of a recourse under a GATT rule prohibiting variable levies, and having dealt with the EEC common agriculture policies for six years, would now find it difficult to obtain through GATT compensation for the changes or "unbindings." In cases where the CXT rates were negotiated in the Dillon Round, and therefore bound in GATT, a variable levy or other fee that brought the total fees above the bound level could be legally questioned in GATT.

In a speech in December 1966, titled "New Challenge in International Relations" Alf Landon said: "In October, 1961, when the White House was divided on whether to support the fledgling European Economic Community, or whether to request a year's extension of the Reciprocal Trade Act, I urged support of the EEC as the most realistic step toward economic and political stability, and hence world peace. Why? Because the EEC was founded on the simple principle of removing nationalist barriers to international trade."

THE KENNEDY ROUND A SEQUEL TO THE DILLON ROUND

Thus the "Kennedy" Round was to be both the focus of the clash of national policies resulting when a traditional exporter finds its customary markets being closed by agriculture policies which have the effect of overstimulating production. It is also the focus of the conflicts of trade policy left over from the Dillon Round.

Agriculture negotiations in the Kennedy Round are therefore, from one point of view, an attempt to reconcile the international effects of irrational, uneconomic, national farm policies. We are right in attempting to deal with them internationally, but the base

from which the negotiations have begun is at best faulty.

This background strongly suggests that the international negotiations in the agriculture area are bound to be disappointing.

This is shown by EEC reaction to U.S. agriculture offers. The United States in fact offered 50% cuts in its tariffs on an immense range of items in the U.S. Tariff Schedules relating to agriculture. These offers were not, however, sufficient to bring meaningful offers from the EEC—and the result has been threatened U.S. withdrawal of a list of offers that, one would think, are very attractive to the EEC. But the enticement does not seem to be sufficient to cause the Community to alter the farm policies it spent years forging through political and economic compromise.

THE NEGOTIATING SCHEDULE IN AGRICULTURE

In evaluating the progress of the agriculture negotiations a review of the steps by which the negotiations have developed to the present is useful: it is testimony to the sense of frustration we now experience.

The Ministerial Resolution of May 1963, reaffirmed by the resolution of May 1964, agreed that the negotiations would include all items, agricultural as well as industrial. Both resolutions said that for agriculture products the negotiations would provide "acceptable conditions of access to world markets in order to significantly develop and expand world trade in such products."

The United States has officially committed itself to the position that there can be no industrial bargains without meeting the above criteria for agricultural products: a final package must contain both. This commitment, which is not required by the letter of the 1962 Trade Expansion Act, has been so frequently reiterated in official statements that it is impossible now to breach it without dishonor. And it is clearly the spirit of the Act and is evident in its legislative history.

BINDING THE MARGIN OF SUPPORT AND DISPARITIES—MAJOR EEC PROPOSALS

Though the Ministerial Resolution of May 1964 announced the Sixth Round's formal opening, the year between May 1963 and May 1964 had been filled with tedious discussions about the ground rules of the negotiations both in the industry area and in agriculture. During this period emerged the two great bugaboos which have haunted both agricultural and industrial negotiations to this day. In agriculture the Community developed and presented the idea of binding the margin of support, the "montant de soutien," while for industrial items it evolved the concept of "disparities."

THE MONTANT DE SOUTIEN

The binding of the montant de soutien would, in the EEC plan, have been part of a world market organization system based on the internal EEC farm system itself. Under the ECC proposal each country would determine the level of its own domestic price supports for each product. World reference prices would be negotiated with other countries for each product. Each country, including the EEC, would then offer to freeze the margin between domestic support prices and these world reference prices. If the price of the imported article was below the reference price, a supplemental or variable levy would be collected equal to the difference between the offering price and the world price. Thus, for an importing country, the reference price would become a minimum world price.

The response of the United States and others was to propose instead an approach according to which, where fixed tariffs were the only form of protection, the aim would be to seek 50% cuts as would be done in the case of industrial items. Where measures other than fixed tariffs were barriers, the aim would be a significant liberalization in these forms of protection equal to 50% in traditional barriers. In a statement to the Foreign Economic Policy Subcommittee of the House Foreign Affairs Committee as late as August 10, 1966, Governor Herter again reiterated the U.S. position that "the objective of the agriculture negotiations should be trade liberalization equal to that achieved in the non-agricultural sector, meaning 50% tariff cuts where tariffs provide the effective protection, and where other forms of protection are employed, such as variable levies, liberalization equivalent to a 50% cut in fixed tariffs." Thus we can clearly see the pragmatic manner in which the United States has responded to the problem of adapting EEC farm policies to make them acceptable.

DISPUTE ABOUT GROUND RULES FORGOTTEN

By the summer of 1964 both the United States and the Community agreed to proceed with the negotiations pragmatically, and to forget arguments of principle. The parties agreed to table lists of exceptions to their industrial offers (which they had agreed would be substantially all items traded) by November 17, 1964. Then, early in 1964, efforts to reach agreement on the ground rules for agriculture were abandoned. It was agreed that grains offers would be made on May 17 and that all other agriculture offers would be tabled on September 16, 1965. The delay in tabling the non-grains offers was requested by the EEC, which took the position that it could not make offers on agricultural products in the Kennedy Round until it could take major internal decisions on the levels of price supports and the elements of the common agriculture policy regulations for all major products.

Like other deadlines, however, the September 16, 1965 tabling deadline fell by the wayside. This time the cause was the Community crisis precipitated by France that emerged on June 30, 1965. Ostensibly based on the issue of Community financing, the roots of the "crisis" reached to the deepest arguments about the future political development of the Community. I have discussed the cause and issues of this crisis in the CONGRESSIONAL RECORD, volume 111, part 13, pages 18133–18134.

THE DECISION TO TABLE LIMITED AGRICULTURE OFFERS—SEPTEMBER 1965

The result was that the United States and the other major negotiating countries, particularly the EFTA countries, were faced with the decision how to maintain some momentum in the negotiations. It was determined by these participants that the best way to proceed would be to table agriculture offers of interest to each other—that is, to exclude offers that they would have made to the EEC had it been able to table its own offers.

In the United States this limited tabling strategy required Presidential decision largely because of the refusal of the Agriculture Department to accept the theory of negotiations proposed by the Special Representative for Trade Negotiations, Governor Herter. This theory was that by allowing pressure to ease on the EEC we would weaken the will of the Community to make internal decisions and thus decrease the momentum of the negotiations. As a minimum, limited tabling would permit us to make significant bargains with other countries.

The Agriculture Department argued that the United States should wait until the EEC could table its offers before tabling even limited offers. The Department's theory was that maintaining such pressure on the Community could result in hastily made decisions which might be more harmful to U.S. interests than less hurried decisions not taken in a context of crisis. Underlying this position was the fear that tabling even limited offers would make more difficult the negotiation of acceptable conditions of access in furtherance of a significant development and expansion of agricultural trade.

SOME PROGRESS IN GRAINS IN 1965

Progress in agriculture negotiations during 1965 was limited to the area of grains. There the Community, along with other participants in the grains discussions, was able to table initial offers on May 17, 1965. These offers were largely in terms of the binding of the montant de soutien. The May meetings were followed by further exploratory discussions. But the EEC crisis on June 30 also caused progress in grain negotiations to come to a halt.

It was only in February and March, 1966, that the EEC was able to resume agriculture and industrial negotiations in the Kennedy Round. The Community tabled somewhat improved grains offers early in August, 1966, when it tabled most other agriculture offers, thus enabling negotiation in the agriculture sector to begin in earnest for the first time.

THE U.S. STAKE IN GRAINS EXPORTS AND THE COMMUNITY MARKET

Grains have been a focal point of the negotiations because of the size of the actual and potential U.S. trade in these commodities and because it is the area of perhaps the greatest potential damage from the Community's common agriculture policy. Partly because of the commitment remaining from the Dillon Round, partly because of the trade importance of the grains area, partly because of the willingness of the French to obtain higher world prices for their own grains exports there has been progress in this area.

FACTS ABOUT U.S. AGRICULTURE TRADE

The following table demonstrates the value of U.S. agricultural exports from 1955 through 1966, separating sales for dollars from Public Law 480 and other government financed exports. Total agricultural exports according to this table were $6.68 billion in 1966. Total agriculture exports excluding specified government financed programs, or commercial exports, were $5 billion. [The data referred to will appear in the text as printed in the Congressional Record.]

Of total agriculture exports (both commercial and government financed) of over $6 billion the major components, according to the following table prepared by the Agriculture Department, were wheat and feed grains. [Data referred to will appear in the text as printed in the Congressional Record.]

SIZE OF EEC MARKETS FOR U.S. AGRICULTURE EXPORTS

Of total agricultural exports of over $6 billion in 1966, agriculture exports to the EEC were $1.5 billion, and grains exports were about $650 million of that amount. The following table presents U.S. agricultural exports to the EEC from 1962–1966 by major commodities, and thus shows the importance of the EEC as a buyer of the whole range of U.S. agricultural exports. [Data referred to will appear in the Congressional Record.]

EVEN WITHOUT EEC SOME GOOD BARGAINS ARE POSSIBLE

The above-demonstrated importance of the EEC as a market for our products gives it the central place in the negotiations. But even so, we have other markets of great importance, with whom it will be possible to make some bargains even in the absence of suitable offers from the EEC. Seventy per cent of our farm exports were bought by

other countries. At the end of fiscal year 1966 Japan was our biggest single country market (other than EEC), accounting for trade worth about $900 million. Canada bought $629 million, and the United Kingdom $432 million, of our agriculture products.

While it would be possible to conclude bargains with other countries, such bargains would be very limited in scope because of the extreme selectivity which would have to be used in making them. Given a failure of negotiations with the all-important EEC, other countries would be very careful indeed not to allow tariff cuts to each other that under the MFN rule would benefit the EEC also. This would mean a minimization even of the bargains possible without the EEC.

COMMON AGRICULTURE POLICIES AND U.S. AGRICULTURE TRADE

It is very difficult to comprehensively explain the workings and ramifications of the common agriculture policies (CAPs) without becoming tediously detailed and lengthy. But it is important to try to understand how the CAPs actually affect the U.S. national interest, rather than to be content simply with more flat assertions that EEC policy is outright harmful and illegal.

There are many EEC common agricultural policies, which makes the job of explanation even harder. In creating a common policy for each product it has been necessary pragmatically to reconcile the different sectoral interests in compromise arrangements. Thus the CAP for each product group is somewhat different from the other. And in many cases the common policy is the highest common denominator of protection and inefficiency—it takes account of the agriculture problems of the least efficient and most protected producer.

To understand the great grains muddle created by EEC policy it is particularly important to understand the variable levy system. It is the backbone of the EEC protective device—the other systems, known as the sluicegate price system, reference price system and guide price system, are only embellishments of the true variable levy concept. The central idea of each is that the margin of protection shall always raise the price of the import to a level above domestic prices in the least efficient community market centers.

THE TRUE VARIABLE LEVY

The variable levy system when completed will apply to wheat and feed grains, rice, dairy products, olive oil, and sugar, or to about 20% of the EEC's total agricultural imports. But it is possible, even likely, that the system will be extended to other segments of agriculture. For several of the above products the system is not yet entirely in effect.

The "true" variable levy is based essentially on three prices: target price, threshold price, and c.i.f. (or "landed") price. The objective of the variable levy system is to bring the price of the import up to the target price when that import reaches its final destination in an interior EEC market center.

Target prices are fixed seasonally by the Community. They are the EEC prices for the product in those marketing centers of the Community with the least adequate domestic supplies (or greatest scarcities and therefore highest prices).

From the target price, or what is in effect the theoretical "support" price in the neediest interior marketplace, are deducted all the costs of getting the product to the deficit market center. These costs are: transportation, importer's margin, quality adjustment, and sales tax. When these costs are subtracted from the target price the remainder is the "threshold price."

Thus the threshold price is the price at a port of entry up to which the landed price of an import must be raised. And the device for raising the price is the variable levy. The amount of the levy is simply the difference between the landed (c.i.f.) price of the import and the threshold price, and it can be and is adjusted daily always to reflect this price differential.

The magnitude of the variable levy in terms of dollar equivalent is shown by the following data on EEC levies on wheat and corn as they were on February 1, 1967. It will be seen that the amount of the levy is in some cases almost as much as the landed (c.i.f.) price of grain. [Data referred to will appear in the text as printed in the Congressional Record.]

AN INVINCIBLE BARRIER

Naturally there are many objections to the external supplier, he can never underaccepted means of taxing imports. Most important is the sheer invincibility of the barrier it creates. No matter how efficient the external supplier, he can never undersell EEC producers. In addition, the complexity of the daily changing variable levy makes it difficult for sellers to know costs, thus the system itself is a non-tariff barrier to trade. The importer becomes merely a "residual supplier" standing by to sell only when shortages occur.

The refinements of the system make it even more "invincible." The amount of the variable levy is set each day on the basis of the *lowest* price of the landed product, meaning that all higher-price sellers pay a levy which brings the price of their product above the threshold price. The target, and hence the threshold, price is set on the basis of the least efficient (greatest deficit) internal markets, which means that the highest possible threshold price is arrived at. Prices are at their highest in areas with greatest deficits. Thus the protective effect of the system is maximized.

It is economically evil in that it prevents a very large number of consumers from obtaining cheaper food products because it sets high prices in order to support the least efficient domestic producers. And it prevents truly efficient producers from enjoying the proper fruits of their economic resources and ingenuity.

THE EEC STAKE IN GRAINS

I have shown above the United States' dollar interest in maintaining and expanding its exports of grains to the European Community. The United States is a relatively efficient producer of grains. We feel that this relative efficiency of production should be allowed to compete in a traditional market, partly on the basis of the rights that were ours in GATT, before the common agriculture policy for grains. But the difficulty we have encountered in pressing our claims has an economic and political motivation that is very clear: the EEC has a big stake in grains production as a major element of its agricultural activity.

More than 59% of EEC plowhand is in grains; output of grain accounts for one half of the total value of farm production in the EEC; and grains are important as feed to produce poultry and red meats, consumption of which has been increasing rapidly.

Total EEC wheat production was nearly 1 million metric tons higher in 1965 than in 1964, a very large increase, even though part of the crop was below average because of a wet harvest. Increased production in the EEC, combined with EEC export subsidies, has affected U.S. wheat exports both to the Community and to third countries.

Europe largely produces soft wheat, therefore it will likely always import hard wheat in order to mix with the soft to make flour of acceptable quality. Canada is the biggest producer and exporter of hard wheat by far, but Communist countries have in the past absorbed so much Canadian hard wheat that U.S. hard (northern plains) wheat exports had less competition in EEC markets. Though Communist China will remain a Canadian cash customer, it became clear at the end of 1966 that the USSR would likely be self-sufficient in grains, and may again emerge as an important exporter. This makes the world commercial demand picture for U.S. hard wheat sales less bright than even a year ago.

At the same time, markets for U.S. *soft* wheat exports have been threatened because the French have been subsidizing the export of their surplus soft wheat by $1.35 a bushel, compared to our own February 1967 export payment of about $0.05 for a representative grade. In fact the French have been permitted by the Community to use money collected by means of the variable levies to finance French export subsidization and farm subsidies.

WHAT FUTURE FOR U.S. GRAINS EXPORTS TO EEC?

But the worst is still to come, according to students of the EEC farm systems and the world grain trade.

On July 1, 1967, common prices for 90% of EEC farm commodities will come into effect. The remainder will be covered by July 1, 1968. As Farm Journal Editor Carroll P. Streeter wrote in the March issue of the Journal "French farmers will suddenly see their prices go up 10% while German farmers will swallow hard and take 10% to 15% less. As a group, prices will shoot up 7% to 30%, depending on the commodity and the country".

Until now the French have used a tax to discourage the increased production resulting from the gradually higher price, a tacit signal that even they believe the final (July 1, 1967) price will stimulate greater production. This is significant because the Community has argued that the final price will not actually cause much more grains production—for one reason because there is very little additional land to be used. But at the new high price it is believed that land will be "found" in quantity and production will sharply increase. More importantly, through use of unproved fertilizing techniques stimulated by higher prices, output from existing acreage will likely rise substantially. This, in any case, is the basis of U.S. planning.

THE EFFECT OF THE COMMON GRAINS POLICY ON U.S. GRAINS EXPORTS

Estimating future EEC grains production and demand has been difficult and estimates differ. Within the U.S. Administration the effort to agree on a projected effect of the CAP on U.S. grains sales has been abandoned, as different agencies tended to develop their own statistics to support their own arguments.

COMMUNITY PROJECTIONS

If one accepts data compiled by the EEC Commission itself, it would appear that the continually increasing demand for feed grains cannot be met by internal production. Assuming that Community per capita income increased by 5% per annum, but not taking into account price rises resulting from the CAP, there will be greatly increased demand for wheat. Due to inelastic Community supply, it is estimated that EEC net import requirements in 1970 will be 10 million tons, about the same as in 1950–52. However, the Community's import requirements would be almost entirely for coarse grains, whereas in 1950–52 wheat imports exceeded coarse grain imports.

Explained in terms of "self-sufficiency", the EEC estimates that it will be only 86% self-sufficient in all grains by 1969–70, but will be entirely self-sufficient in wheat. In fact, by 1970 it is projected that the EEC

will have a large surplus of exportable wheat. A July 1966 study by the EEC Commission showed that wheat consumption will diminish further than expected as European consumers shift to more diverse and expensive foods. The study thus expects the Community to have from 310,000 to 460,000 tons of wheat available for export in 1970 even if its future production estimates are not too low, which is doubted in this country. The Community estimate shows that the total degree of EEC self-sufficiency in all grains will be the same in 1970 as it was in 1957–1960, and that imports will therefore remain at previous levels.

PRIVATE PROJECTIONS DIFFER

A much more pessimistic projection was made in 1965 by an independent Dutch research organization, the Agricultural Economics Institute. The conclusion of the study is that EEC production of grains by three projections will be 68.1 million metric tons by 1970. It estimates that under an assumption of constant EEC grain prices, only 7.6 million metric tons will be imported in 1970; that under the assumption of a 15% grains price increase only 6.3 million metric tons will be imported, compared to the 10.8 million tons needed in 1962. This independent projection of future EEC grains import demand is indeed sobering.

Finally, Dr. Eric Thorbecke and Alfred Field, in an article in Farm Policy Forum, Vol. 17, No. 4 for 1964–65, made projections which, like those of the Dutch research organization, are also pessimistic: "Given the agriculture protection in Europe even before the advent of the EEC, and the relatively low income elasticities of demand for most farm products, the leveling off of demand for U.S. farm imports would have come about independently of the CAP. At the same time, it is clear that the CAP will further contribute to the worsening of U.S. prospects for agricultural exports to the EEC."

A table follows showing the conclusions of these authors about future demand. They employ two assumptions. The first is that the EEC will by 1970 be totally self-sufficient in wheat. The second is that the EEC will continue to import high quality (hard) wheat. [The data referred to will appear in the text as printed in the CONGRESSIONAL RECORD.]

U.S. GRAINS EXPORTS TO THE COMMUNITY WILL SHRINK

I cannot endorse any of these projections of future EEC demand for U.S. grains. But I would draw the conclusion from them *inter alia* that by 1970 the CAP for grains will have been the major cause of a serious drop in U.S. grains exports.

As a nation we are compelled then to find ways of preventing this event—an important element of our national interest, worth millions of dollars of export trade, is clearly at stake. I have explained above that the arrival at a common agriculture policy was the essential price of the formation of the Community—the U.S. long ago made the policy decision to accept the price, and to try to modify the system to make it compatible with our own economic interest as well as sound economic principles.

THE NEED TO PROTECT U.S. COMMERCIAL INTEREST

Indeed, we did assume that the EEC would essentially be "outward looking", and that modification of the agriculture systems would not prove too difficult. The EEC may well become "outward looking" after the storms of the present period of economic and political adjustment are weathered, but in the interim period we are forced to devise means of protecting our commercial interest.

Our attempt at a solution in the grains area has been to seek international agreement along the lines of a grains agreement.

A GRAINS AGREEMENT DELINEATED

A grains agreement as now proposed would establish market access for wheat and feed grains but would distinguish between the two in one respect. For wheat the agreement would establish minimum prices as well as market access. There are about 200 classes and grades of wheat. A class is a genetic type of wheat. "Grade" of wheat refers to protein content. Prices would have to be set for each class and grade, according to current proposals, thus establishing a set of "fixed differentials" among the types and grades of wheat.

For grains other than wheat (corn, barley, oats, sorghums) there would be no world price scheme. Instead (according to the exporters' initial proposals) there would only be access commitments by the EEC. Rice is not included in the grains agreement.

The grains negotiations have been taking place in the forum of the GATT Cereals Group, a subcommittee of the GATT Trade Negotiations Committee, which is itself in charge of the overall negotiations. Cereals Group members are Canada, Australia, Argentina, EEC, Japan, Switzerland, Norway, Sweden, the U.K. and the U.S. Other countries may join if an agreement is worked out.

The main elements of the package now under negotiation in the Cereals Group at Geneva were decided in meetings among the United States and the three other major exporters, Australia, Canada, and Argentina. Representatives of these countries met in Washington during September, 1966, and decided on a common position which they have since been discussing with the major importing countries. These discussions began on a sustained basis in the second week of February, 1967, and have continued since. Major importers are the United Kingdom, Japan, Norway, Switzerland, and Denmark. Some Asian and African countries also have commercial interest in grain imports.

There are essentially four major elements to be considered in a grains agreement as now conceived: access commitment, minimum world prices, market sharing, and donable food programs.

"IRONCLAD" SELF-SUFFICIENCY ASSURANCES

The concept of self-sufficiency is really the reverse of the earlier U.S. request for access commitments. For the U.S. it is the most important element in the exporters' proposal. It is thought that the EEC chose to look at the access idea from the reverse side in order to save face: it did not "accept" market access, it will instead "offer" to maintain a certain restricted level of internal self-sufficiency.

The exporting countries have requested that the EEC adopt a standard of about 86% or 87% self-sufficiency in all grains. The EEC has proposed 90%, but a 90% self-sufficiency limit seems too high on the basis even of the EEC's own projections of its self-sufficiency by 1970. As a key element of a self-sufficiency agreement, there must be absolute assurances that any surpluses generated by the EEC over the self-sufficiency ratio will not enter commercial markets.

PRICE RANGES

Agreement on a range of world prices for wheat is a major goal of the proposed grains agreement and it is also a principal point of attack of certain American farm organizations. There is precedent for such price-setting in the International Wheat Agreement (IWA), which has been in effect since 1954, but expires July 31, 1967. American experience under the IWA has shaped thinking about the nature of future international price commitments.

The IWA sets a price range for the highest quality class of wheat, Manitoba #1 delivered at Fort William, Port Arthur, Canada. The minimum price is $1.625 and the maximum $2.02 per bushel. Differentials between this class wheat and lower classes have in the past been established by tacit agreement between Canada and the U.S., the largest exporters. The U.S. is said to have consistently observed the differentials and not priced its wheat below them until a change in policy about two years ago, when cooperation among exporters broke down completely and U.S. pricing policy became more aggressive. Canadians and other exporters had been more flexible than the U.S., sometimes setting prices through their international marketing boards at levels below the tacitly agreed differentials, therefore keeping their wheat "competitive" in world markets. Thus we used to hear the complaint of U.S. wheat growers that the U.S. did not price "competitively" in world markets.

In the organized world of the international wheat trade the IWA seemed to be but a token. In a new grains agreement the objective seems to be to try to set minimums for all the classes of wheat and make these minimums meaningful. If achieved, the U.S. could avoid being caught in the position of alone observing minimum prices while others supply markets the U.S. might have had.

This is the logic behind the argument that in a new grains agreement there must be meaningful commitments requiring other exporters not to engage in cut-throat pricing.

Thus another key issue is the levels of the minimum prices themselves. High minimums would narrow commercial markets in poorer countries and tend to deprive those purchasers willing to buy more wheat at lower prices. But the level of the minimum price range is very important for another reason related to the concept of "market sharing".

MARKET SHARING

Market sharing as initially conceived in the grains negotiations would come into effect when world wheat prices fall below the fixed minimums. Then each exporter would divvy up the market according to shares in a "very recent representative period". The U.S. market share proposed hypothetically would be about 32%, it is known.

Obviously, if the agreed minimum prices were high, market sharing would come into force often. If the minimum price is set so high as to become the effective world trading price, there is no practical way of avoiding a constant condition of market sharing.

The present minimum price proposal of the exporting group, based on a new basing grade and basing point of No. 2 hard red winter wheat basis f.o.b. gulf ports of $1.85 a bushel, is quite high indeed. It is higher than the average monthly world price for the same wheat for every month at least since the 1962/63 crop year. Were this price to be agreed on, market sharing would be in effect the bulk of the time, and world wheat trade would be controlled utterly.

Such a situation is not acceptable. If a grains agreement were to be negotiated, the minimum price will have to be reasonable and realistic. If it were not, importers like Japan and other industrial importing countries will not be able to afford an agreement, and poorer importing countries would be deprived.

Ideally, a minimum price should be sufficiently low that it would only serve to prevent distress selling and deliberate price under-cutting—so that its very existence would actually discourage wheat marketing agencies from selling below the minimum, in order to avoid the noisome controls that would then come into effect. Perhaps the most positive result from the pricing provisions of the agreements would be to discourage cutthroat competition.

FOOD "AID"

The current grains agreement proposal also includes commitments about food aid—means of sharing the burden of donable food programs now borne almost exclusively by the United States. In the past several weeks of the negotiations, the food aid proposals of the agreement have become its most controversial element. On "food aid" therefore, could hinge the fate of a grains agreement, and on the fate of the grains agreement hinges the Kennedy Round.

Food aid has come into the grains agreement discussions almost inadvertently, largely as a corollary to the self-sufficiency problem discussed above. The real problem is how to guarantee that EEC grains production in excess of the agreed ratio of self-sufficiency will not enter commercial markets. The answer has been to try to commit the EEC to undertake to give the food away, store it, or destroy it. We would prefer that it be given away, so that part of the U.S. obligation to donate food will be removed and shared among those able to do so.

Public Law 490 food programs were the children of opportunism and bad planning. U.S. donable foods are simply the result of excess production resulting from price fixing. In the name of brotherhood and economic development the U.S. put developing countries on the dole to receive our unwanted surpluses. The effects of this expedient policy have been almost unquestionably harmful to the recipients. Because he so clearly describes the effects of such foreign "aid", I quote from page 53 of John O. Coppock's book for the Council on Foreign Relations titled "Atlantic Agricultural Unity, Is It Possible":

"Gift food is sold by the recipient governments, usually through regular distribution channels. The normal state of the recipient countries, particularly if their development programs are progressing, is one of incipient or active price inflation. Frequently, low-price imports are used in an attempt to stem the price inflation, at least for food sales. To the extent that such efforts are successful, they act as a depressant to prices of domestically produced food stuffs relative to the prices of other goods. Local growers are thus 'taxed' as a special group by this means; not only are their incomes reduced relatively by this disparate rise in prices, a disincentive to private investment in agriculture is an even more serious consequence.

"It is generally argued that such donated imports 'provide resources' for the development program . . . In fact this claim is valid only to the extent that such free imports substitute for imports that would otherwise have had to be purchased commercially and paid for in foreign exchange. This argument is never made, at least to farmers and others interested in the export trades. In general, the developmental resources in these countries which are in short supply are either goods which have to be imported or insufficient technical and managerial skills and proper institutional organization. None of these can be expanded in supply by importing free food that is additional and not substitutional."

But once having created such dependency, it would be cruel and immoral to terminate it suddenly. Thus, at a time when the U.S. finds itself out of its former surplus position, and at a time of growing cash markets, our objective is naturally to want to share the burden of the dependency we have furthered by our own policies. It should be hard for Europeans to deny the U.S. attempt to share the obligation to feed the starving.

UNITED STATES AND EEC SHARES OF A FOOD-AID AGREEMENT

The level of contribution of industrialized countries annually to world food aid has been set at about 10 million tons. The contribution would be divided among grains agreement participants—the U.S. share might be about 40%, the EEC share about 25%. This raises the problem of the burden on food deficit (importing or non-producing) industrialized countries. The Japanese, for example, are concerned because their food aid contribution might cost them about $100 million of foreign exchange each year. They would have to buy wheat to ship to poorer countries. This, on top of a high world price, makes the grains agreement very difficult for Japan to swallow. The British are in much the same position, and are joined by West Germany and the Netherlands.

At Geneva on March 30 Sir Richard Powell indicated Britain might accept a food aid commitment. By the logic of negotiations therefore the U.S. would have to pay a suitable price. This price could be very high. It could mean a reduction in something we want from the negotiations, or it could mean an increase in something we can offer. The price might even be too high to pay. For this reason the U.S. may well have to drop the food aid provision from the agreement.

Were they to do so, the U.S. negotiators would have to find some other suitable means of disposing of EEC surplus production. The food aid idea still appears to me to be the most logical means of doing so.

Thus a food aid understanding should be part of an eventual agreement. It seems the only practical way of negotiating an access commitment when the EEC, and perhaps also the United Kingdom, have refused to negotiate the level of their domestic supports, and apparently are also unwilling to continue even the modest efforts the French have made to limit the quantity to which price supports apply. The resulting surpluses cannot be stored easily as storage facilities do not exist except at European ports, and these surpluses will not likely be destroyed. It would seem that they must therefore be given away.

The donable food aspect of the proposed grains agreement is important then for three reasons: it would help get the U.S. off the hook of having to feed starving people by itself out of dwindling or non-existent surpluses, it would have considerable appeal when the Senate considers ratification of an agreement, and it would make an EEC self-sufficiency commitment realistically workable.

BIG OPPOSITION TO A GRAINS AGREEMENT

The proposed grains agreement has drawn heavy fire from organizations on both doctrinaire and practical grounds. In the last several months it has been one of the most hotly discussed trade issues. The American Farm Bureau Federation, the Grain and Feed Dealers' National Association, and the U.S. Feed Grains Council have expressed opposition, as have other groups. These organizations and others have been extensively briefed by the Agriculture Department about the grains agreement as first proposed and are well informed about its provisions. The National Grange, on the other hand, is among the groups in favor of an agreement.

A key element of the arguments put forward by opponents is that by entering a grains arrangement along the lines described above the United States will eliminate competition in the wheat market and thus decrease the competitiveness of U.S. grains in world markets.

Unless one knows the grains trade, one might think that a free market does in fact exist in wheat, but this is not the case. Australia, Argentina, and Canada, our biggest grains competitors, sell through government wheat boards or trading authorities. The United States itself subsidizes each bushel of exported wheat: an exporter must obtain a U.S. Department of Agriculture license for all exports. The USDA determines the subsidy. The domestic price of No. 1 hard red winter wheat ordinary f.o.b. gulf, a standard type of wheat, was $1.95 a bushel in February 1967. The export payment, or subsidy, is $.09 and therefore the world price is $1.85. $1.95 was in effect the U.S. support price for that type wheat.

To make U.S. grains more "competitive" in world markets would require increased subsidy to lower the price. "Competition" in this context has thus a shaded meaning at best.

The element of artificiality in this "competitive" U.S. approach would be eliminated were the United States to remove subsidies and controls from grains production, and permit the market to operate freely rather than to manipulate it.

U.S. PROPOSAL FOR UNSUPPORTED DOMESTIC POLICIES

The United States actually proposed in the grains group that all producing nations should establish conditions of free agricultural trade. This formal proposal was made in the cereals group discussions beginning May 17, 1965. It was rejected.

But perhaps now is the time for the United States to act unilaterally in the grains area. It seems to me that the conditions are now present that make possible such a shift from the domestic policies of past years. Were it possible to do so we could begin from a new base in international efforts to establish world agricultural trade on more economic lines.

UNSHACKLING AMERICAN GRAINS PRODUCTION UNILATERALLY

American agriculture has for years suffered from production surpluses resulting from the demands on the American farmers to increase his production during World War II. The farmer responded to government requests by enlarging his plantings and investment in order to feed the world at war. Government price support and subsidy programs at the end of the war were properly intended to be a means of tapering off gradually from high war-time production levels. But the purpose of these readjustment measures was never realized. Production was not tapered off, rather it was maintained at high levels throughout the postwar period, with resultant huge surpluses.

The present alleviation of our grains surplus problem has come not from a successful effort finally to control production, but from a steady rise in total demand, both foreign and domestic, to the point that there is now nearly a balance between demand and supply.

The new balance between supply and demand for grains is evidenced by the narrowing differential between domestic and world market prices. Encouraging increases in commercial exports of wheat and especially feed grains are additional evidence of favorable market conditions. Increased demand is reflected in decreased Commodity Credit Corporation (CCC) stocks of wheat and feed grains. In 1965 total CCC wheat stocks were 753 million bushels and, by December 1966, stocks were 369 million bushels. CCC stocks of feed grains have declined from 1.7 billion bushels in 1965, to 1 billion bushels in 1966, which equalled about 42 million tons. 600 million bushels of wheat is considered a satisfactory reserve stock. About 40 to 50 million tons is considered an adequate reserve for feed grains.

AN OPPORTUNITY FOR FUNDAMENTAL CHANGE

Thus there presently exists an ideal opportunity to eliminate subsidy and control programs for grains—an opportunity that should be seized by those interested in the most rational use of economic resources, the welfare of the farm community and the national economy. Congress, after full public debate and deliberation, should repeal all

authorities permitting the Executive to deal directly in grain markets through buying and selling crops in order to control prices, by specifying acreage allotments, marketing quotas, and through hiding a substantial part of the cost of the wheat program by taxes on millers.

At the same time, Congress should enact legislation that will make certain that recourse loans are available to American producers of wheat and feed grains. Such insured resource loans should be made through banks and other private financial institutions with government standing in the background as loan insurer.

Such leigslation would be consistent with a national economic policy intended to allow market forces to determine production and prices and thereby promote greater efficiency, and ultimately greater income, in the farm sector. Market conditions now permit such a step. It would benefit the consumer. And it would eliminate Federal Government expenditures that cost the public about $2 billion in fiscal year 1966.

TOWARD FUTURE SUCCESSFUL NEGOTIATIONS IN AGRICULTURE

But this step is particularly advisable for reasons relating to the Kennedy Round. In these difficult negotiations the United States and other nations have for the first time attempted to deal with the full scope of world agriculture trade problems. In large part the difficulty of these negotiations stems directly from the fact that world trade in most important agriculture products is impeded and confused by national economic policies that have created highly artificial conditions in domestic farm sectors.

These conditions exist in almost all industrialized countries. It is convenient and easy now to single out the extraordinary systems of agriculture support and protection being finalized and effectuated by the European Economic Community under common agriculture policies that will apply to almost all EEC farm commodities. Other countries also have uneconomic agriculture policies, including the United Kingdom and the United States. These domestic economic policies so distort the economies of production of agriculture commodities that it is very difficult to deal with them through international action.

The cures, in many instances, must start at home. That is why the United States effort in dealing with the EEC must be to continue to attempt over the long term, however difficult that may be, to change the fundamental domestic pricing and support system and the border protection devices now being established by the Community. It may well be that these systems will collapse both of their own inefficiency and after continued U.S. efforts to change them.

In international agriculture trade, therefore, the fundamental cures must be domestic cures, and they must be in the direction of removing government subsidies and controls from the agricultural marketplace. U.S. action to reestablish the conditions of the domestic marketplace in wheat and feed grain would prepare the way for more successful international efforts to improve marketplace conditions in world trade. Were it to eliminate government controls the U.S. would remove any possible criticism from our grains trading partners, the EEC and other countries, that we subsidize production and exports.

THE WHEAT AND FEED GRAINS ACT OF 1967, A MEANS TO THIS END

Therefore on March 16 I introduced a bill in the House, H.R. 7326, the Wheat and Feed Grains Act of 1967, to repeal all authorities for the current Agriculture Department wheat and feed grain programs and to authorize programs that will permit the market system to work more effectively for American grains.

The approach I suggest is, I believe, the fundamentally correct one. If adopted it will do much to sort out world grain trade problems and it will make eventual agreement with the EEC easier.

ADDRESSING THE PROBLEM AT HAND

Responsible persons cannot but be concerned that, in less than three months the EEC will have completed a system that within only three years will, by several estimates, result in serious shrinkage of one of our most important agricultural markets. These persons understandably want to arrive at commitments to prevent this damage to our commercial interest, and perhaps they are correct in thinking that an international arrangement is the only possible means of preventing such damage.

Criticism concentrates first on the idea of an access agreement, then on the height of the proposed minimum price and on market sharing.

WHY AN ACCESS AGREEMENT RATHER THAN CHANGE THE VARIABLE LEVY SYSTEM

U.S. officials are attacked by opposing groups because the U.S. has concentrated on obtaining an access agreement rather than on modifying the threshold or target prices so as to strike at the root source of EEC agriculture protection, its pricing systems.

Is this a valid complaint? Is it realistic? The data adduced above show how essential the grains CAP and its pricing system is to the political development of the Community. Experts here and in Europe have stated that the pricing system itself cannot be modified through negotiation at this time. If, as seems possible, the EEC market for U.S. wheat shrinks to next to nothing by 1970, and there is no grains access agreement, would there be enough world demand to absorb U.S. wheat and feed grain production?

One answer expressed by the Grain and Feed Dealers National Association is that the United States "can best retain and improve its position in other world markets and keep strong pressure on the costly EEC common agricultural policy by maintaining a system of competitive prices in the world cereals market".

THE ESSENTIAL FLAW—MINIMUM PRICE

But the focal point of opposition is justifiably the minimum price and market sharing. Farm groups know that the minimum high price set in the initial bargaining was a compromise. The principal U.S. interest is an access commitment principally for its soft wheat. The Canadian interest is a high price for its hard wheat, which will always be demanded in Europe because Europe can't grow enough of its own. The result was U.S. agreement on a high initial price in return for Canadian agreements to press for access.

Farm groups know this and their expressions of disapproval are healthy. They indicate to other exporters that it will be difficult to obtain U.S. ratification of an agreement that sets too high a price. The fact is that the negotiating price for the basic wheat—No. 2 hard red winter gulf ports—is higher than the world price has been in every year but 1967. The proposed minimum would be too high by far.

The real U.S. attitude may be ambivalent. One report has it that Australian Prime Minister Holt asked President Johnson, during the latter's trip to Australia last fall, to consider that high grains prices would cause Red China to spend all its foreign exchange on food. What it might in fact succeed in doing is simply to drive the Communist Chinese back into the arms of the Soviets, who last year had a wheat surplus, a small portion of which they gave to India.

We can no longer count on the Soviet Union as a large cash buyer of wheat. Because of fundamental reforms introduced by Khrushchev, but concealed by two seasons of very bad weather, the Soviet Union now appears to be a self-sufficient producer. In fact, if Soviet surpluses continue, we may very well find it selling below any high minimum price to developing countries, whom we see as future commercial buyers. Such sales would have obvious political importance.

Obviously if a minimum price must be agreed to at all, it is important to set a relatively low price.

WHAT IS THE BALANCE OF U.S. ADVANTAGE?

Where does the balance of U.S. advantage lie? Some claim that because a grains agreement as now conceived is not going to achieve substantial modification of the variable levy pricing system itself, there should be no Kennedy Round agreements of any kind. This view is based on the idea that, once having made industrial bargains in the Kennedy Round, future leverage to modify the variable levy through industrial bargains is lost. This argument has real merit.

But there is another consideration that must be given thought. It has been statistically shown that world economic expansion itself results in correspondingly greater exports of agriculture products. Were significant industrial bargains to be made without industrial bargains it is still likely that agriculture exports will increase. On this economic argument a case could be made for accepting something less in agriculture than we had hoped to get, on the grounds that significant industrial cuts could cause the increased agriculture trade that we seek anyway.

It can be argued that the grains agreement now envisioned is the best the U.S. can do after a very hard "college try". They say that, because grain represents a very substantial portion of actual and potential U.S. exports, and because the EEC's grains CAP will have a profound effect on U.S. grains sales in Europe, the grains access agreement will have utility and important dollar value.

What meets the terms of the 1962 trade act and the ministerial resolution calling for acceptable conditions of access in furtherance of significant expansion of trade? Opinions vary. A grains agreement that had a very low minimum price and iron-clad assurances that surplus EEC production in excess of 86% of its internal needs would not be sold commercially, would probably meet the test because it might ensure continuation of grains exports now worth about $650 million, and possibly much more.

But there certainly are disadvantages in any such scheme—distasteful ones. It would be far better to achieve a modification of the EEC pricing system itself.

PROPOSALS TO MAKE A GRAINS AGREEMENT MORE PALATABLE

An element should be added to the agreement to make it far more acceptable to those who reject it as an acceptance or "legitimization" of the EEC pricing system, and to those who see it as a poor substitute for modifying the variable levy itself.

The grains agreement should not legitimize the protective devices of the EEC by making clear in a preambulatory passage that it is not. There should be an agreement in principle in the document that by 1970 at the latest the EEC would begin to bind the variable levy, with the goal of converting it into a fixed tariff by a future date.

Certainly, at the very least, the United States should, when signing and ratifying any such agreement, make clear its objections and its future goals. Bu if at all possible the agreement itself should contain a provision permitting the reopening of negotiations on the variable levy at some specific future date.

The United States has been and should remain essentially sympathetic in a tough-minded way to the EEC agriculture problems. The variable levy is in principle an illegal device in GATT, that it creates economic inefficiencies very costly to the EEC when it is linked to high target prices. It has equally onerous effects on the world economy. A grains agreement that does not express the concept that competition must some day be established in world agriculture trade and that access and price agreements are at best minimal assurances should be rejected and the industrial negotiations should be scrapped until another day—in the hope that another opportunity will in fact come to use authority such as that Congress gave to the President in the 1962 trade act.

A HARD POLICY CHOICE

The New York *Times* in an editorial on January 20 giving a well-reasoned judgment of the advantages and disadvantages of a grains agreement, said in part:

"A grain agreement alone would be a significant accomplishment. It would ease the way toward a successful conclusion to negotiations on industrial goods. It also would give American grain producers assured export markets and it would make for a fairer and more rational sharing of the burden involved in distributing food to the poor countries of the world."

These are the factors that must be considered first by the U.S. negotiators when making an agreement, and second, by the United States Senate when ratifying it, and by both Houses of Congress should the agreement require implementation. Though the objective as expressed by the Special Representative for Trade Negotiations in Senate Foreign Relations Committee hearings on February 27 is to make a package of agricultural and industrial bargains that is substantial even independently of a grains agreement, in fact a satisfactory grains agreement is indispensable to achieving the initial and still important goal of providing "acceptable conditions of access to world markets in order to significantly develop and expand world trade in such products."

BEHIND RECENT REPORTS FROM GENEVA—NO DECISIONS YET

During the week of March 27 in Geneva a ministerial level meeting, though without ministerial level meeting fanfare, resulted in press reports of more optimistic tenor than earlier. The "log jam" is said to be "breaking"; new "initiatives" are being proposed.

It is true that there is a new spirit of ferment in Geneva. It is the feeling in the air that Mr. Peter Dreyer, the perceptive Journal of Commerce Brussels correspondent, reported on March 22 when he wrote:

"The prevailing moderate optimism, pointing to modest but generally acceptable results, has two main roots. There is for one the feverish activity now displayed by all principal delegations and their staffs. There is, for another, the near universal assumption that so strenuous an effort cannot but be successful."

But important decisions have not yet been made, and so many remain to be made—not just in grains, but also in the other areas of temperate agriculture negotiations, and of course in the intensely complicated industrial sectors. We can shortly expect announcement that an antidumping agreement has been fundamentally agreed upon. As an initial advocate of such an agreement, concrete achievement in even this limited area is encouraging. But there is much left to accomplish.

The scheduled meetings of the EEC Council of Ministers for April 10 through 12 will be the ideal opportunity for making the decisions that will spell success or failure for the Kennedy Round.

NEXT SECTION OF REPORT

I believe it very important that there be a much wider public understanding of the specific nature of our own trade policy and of EEC agriculture policy. Thus I will discuss in the next section of this evaluation the other product groups for which special negotiating teams have been established: meat and dairy products. I will also discuss poultry and fruits and vegetables, important U.S. trade items, and the problems posed by expanding developing-country exports of tropical agriculture products. This section will follow on Thursday, April 13. It will be followed by a discussion of the industrial negotiations.

*U.S. agricultural exports under specified Government-financed programs, exports outside specified Government-financed programs, and total agricultural exports—Value and percent of total, years ending June 30, 1955, through 1966*

| Type of export | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1955 through 1966 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Public Law 480: | | | | | | | | | | | | | |
| Title I, sales for foreign currency | 73 | 439 | 909 | 659 | 725 | 826 | 952 | 1,024 | 1,085 | 1,064 | 1,135 | 864 | 9,755 |
| Title II, disaster relief | 83 | 91 | 88 | 92 | 56 | 65 | 146 | 176 | 159 | 150 | 72 | 150 | 1,328 |
| Title III, donations | 135 | 184 | 165 | 173 | 131 | 105 | 144 | 169 | 170 | 189 | 179 | 171 | 1,915 |
| Title III, barter | 125 | 298 | 401 | 100 | 132 | 149 | 144 | 198 | 60 | 112 | 130 | 227 | 2,076 |
| Title IV, long-term supply and dollar credit sales | | | | | | | | 19 | 58 | 47 | 151 | 161 | 436 |
| Total, Public Law 480 | 416 | 1,012 | 1,563 | 1,024 | 1,044 | 1,145 | 1,386 | 1,586 | 1,532 | 1,562 | 1,667 | 1,573 | 15,510 |
| Mutual security (AID), secs. 402 and 550, sales for foreign currency and economic aid [1] | 450 | 355 | 394 | 227 | 210 | 167 | 186 | 74 | 14 | 24 | 26 | 42 | 2,169 |
| Total exports under specified Government-financed programs | 866 | 1,367 | 1,957 | 1,251 | 1,254 | 1,312 | 1,572 | 1,660 | 1,546 | 1,586 | 1,693 | 1,615 | 17,679 |
| Total exports outside specified Government-financed programs [2] | 2,278 | 2,129 | 2,771 | 2,752 | 2,465 | 3,205 | 3,374 | 3,482 | 3,532 | 4,481 | 4,404 | 5,066 | 39,939 |
| Total, agricultural exports | 3,144 | 3,496 | 4,728 | 4,003 | 3,719 | 4,517 | 4,946 | 5,142 | 5,078 | 6,067 | 6,097 | 6,681 | 57,618 |

[1] Values shown are disbursements for exports.

[2] Exports, "outside specified Government programs" (sales for dollars) include, in addition to unassisted commercial transactions, shipments of some commodities with governmental assistance in the form of (1) extension of credit and credit guarantees for relatively short periods; (2) sales of Government-owned commodities at less than domestic market prices; and (3) export payments in cash or in kind.

Source: "Foreign Agricultural Trade of the United States," U.S. Department of Agriculture, November 1966.

*Total U.S. agricultural exports including Government-finance programs—Value by commodity, calendar years 1965 and 1966*

[Dollars in millions]

| Community | 1965 | 1966 [1] | Change (percent) |
|---|---|---|---|
| Animals and animal products: | | | |
| Dairy products | $196 | $126 | −36 |
| Fats, oils, and greases | 226 | 190 | −16 |
| Hides and skins | 109 | 155 | +42 |
| Meats and meat products | 112 | 116 | +4 |
| Poultry products | 70 | 67 | −4 |
| Other | 75 | 71 | −5 |
| Total, animals, etc | 788 | 725 | −8 |
| Cotton, excluding linters | 486 | 432 | −11 |
| Fruits and preparations | 313 | 315 | +1 |
| Grains and preparations: | | | |
| Feed grains, excluding products | 1,134 | 1,339 | +18 |
| Rice, milled | 243 | 228 | −6 |
| Wheat and flour | 1,183 | 1,535 | +30 |
| Other | 72 | 90 | +25 |
| Total, grains, etc | 2,632 | 3,192 | +21 |
| Oilseeds and products: | | | |
| Cottonseed and soybean oils | $241 | $153 | −37 |
| Soybeans | 650 | 760 | +17 |
| Protein meal | 187 | 226 | +21 |
| Other | 79 | 88 | +11 |
| Total, oilseeds, etc | 1,157 | 1,227 | +6 |
| Tobacco, unmanufactured | 383 | 482 | +26 |
| Vegetables and preparations | 155 | 176 | +14 |
| Other | 315 | 336 | +7 |
| Total exports | 6,229 | 6,885 | +11 |

[1] Preliminary.

Source: U.S. Department of Agriculture.

*U.S. agricultural exports to the European Economic Community—Value by commodity, calendar years 1962-66* [1]

[In thousands of dollars]

| Commodity | 1962 | 1963 | 1964 | 1965 | 1966 |
|---|---|---|---|---|---|
| Variable levy commodities: [2] | | | | | |
| Feed grains | 317,081 | 275,258 | 325,972 | 471,472 | 476,439 |
| Rice | 14,247 | 13,399 | 15,378 | 10,140 | 18,823 |
| Rye grain | 18,709 | 13,700 | 5,676 | 1,463 | 4,417 |
| Wheat grain | 50,603 | 63,655 | 59,228 | 67,674 | 107,096 |
| Wheat flour | 5,553 | 3,200 | 1,662 | 1,207 | 1,358 |
| Beef and veal (excluding variety meats and cattle) | 64 | 169 | 1,326 | 2,623 | 900 |
| Dairy products | 3,603 | 22,551 | 54,398 | 30,473 | 1,211 |
| Lard [3] | 2,134 | 2,543 | 2,489 | 1,062 | 1,105 |
| Pork (excluding variety meats) and swine | 341 | 2,067 | 8,631 | 377 | 1,339 |
| Poultry and eggs: | | | | | |
| Live poultry | 790 | 1,388 | 0,059 | 1,380 | 1,496 |
| Broilers and fryers | 30,701 | 10,698 | 19,615 | 6,306 | 5,415 |
| Stewing chickens | 8,347 | 6,092 | 6,384 | 2,710 | 758 |
| Turkeys | 9,624 | 8,766 | 11,060 | 17,491 | 13,523 |
| Other fresh poultry | 574 | 338 | 669 | 938 | 304 |
| Eggs | 3,443 | 3,331 | 1,889 | 1,922 | 1,710 |
| Total, poultry and eggs | 53,479 | 30,613 | 31,676 | 30,747 | 23,206 |
| Other | 16,972 | 25,864 | 26,523 | 24,463 | 26,763 |
| Total | 482,786 | 452,729 | 532,959 | 642,001 | 662,657 |
| Nonvariable levy commodities: | | | | | |
| Canned poultry [4] | 1,080 | 1,997 | 3,902 | 3,325 | 2,351 |
| Cotton, excluding linters | 105,973 | 131,557 | 189,143 | 70,258 | 65,885 |
| Fruits and vegetables | 91,169 | 97,314 | 84,525 | 99,615 | 87,091 |
| Hides and skins | 20,560 | 16,426 | 27,433 | 31,601 | 28,384 |
| Oilcake and meal | 46,020 | 61,520 | 76,637 | 110,736 | 143,998 |
| Soybeans | 162,320 | 159,436 | 213,867 | 226,201 | 278,676 |
| Tallow [4] | 26,375 | 25,921 | 34,989 | 37,222 | 34,660 |
| Tobacco, unmanufactured | 105,543 | 104,215 | 105,824 | 106,315 | 119,917 |
| Variety meats, fresh, frozen [4] | 16,327 | 21,087 | 32,280 | 34,371 | 35,051 |
| Vegetable oils, expressed | 13,161 | 18,405 | 33,083 | 35,590 | 15,851 |
| Food for relief or charity | 14,360 | 10,164 | 6,354 | 4,656 | 4,555 |
| Other | 65,057 | 70,640 | 74,881 | 74,562 | 82,156 |
| Total | 667,945 | 718,682 | 882,918 | 834,452 | 898,575 |
| Total, EEC | 1,150,731 | 1,171,411 | 1,415,877 | 1,476,453 | 1,561,232 |

[1] Compiled from U.S. Bureau of the Census data.

[2] Grains, poultry, and pork were subject to variable levies beginning on July 30, 1962; rice on Sept. 1, 1964; and beef and dairy products on Nov. 1, 1964. The variable levy classification is designed to show overall changes in exports rather than to measure the impact of the variable levies.

[3] Lard for food is a variable levy commodity while lard for industrial use is bound in the General Agreement on Tariffs and Trade (GATT) at 3 percent ad valorem. U.S. lard is for food use.

[4] Although canned poultry, tallow, and variety meats are subject to variable levies the import duties are bound in GATT.

*Common Market levies on wheat and corn of Feb. 1, 1967*

[Per bushel]

| | Wheat | Corn |
|---|---|---|
| West Germany: | | |
| Levy | $1.77 | $1.07 |
| C.i.f., U.S. Hard Winter Ordinary | 1.90 | |
| C.i.f., U.S. No. 3 corn | | 1.64 |
| Levy as percent of landed value | 48 | 39 |
| France: | | |
| Levy | 1.22 | .65 |
| Since France is an exporter of both wheat and corn, c.i.f. prices are not readily available. | | |
| Italy: | | |
| Levy | 1.53 | .10 |
| C.i.f., Argentina | 1.96 | |
| C.i.f., U.S. No. 2 Corn | | 1.66 |
| Levy as percent of landed value | 44 | 6 |
| Belgium: | | |
| Levy | 1.20 | .43 |
| C.i.f., U.S. Hard Winter Ordinary | 1.91 | |
| C.i.f., U.S. No. 3 corn | | 1.60 |
| Levy as percent of landed value | 39 | 21 |
| Luxembourg: | | |
| Levy | 1.49 | .43 |
| C.i.f., U.S. Hard Winter Ordinary | 1.91 | |
| C.i.f., U.S. No. 3 corn | | 1.60 |
| Levy as percent of landed value | 44 | 21 |
| Netherlands: | | |
| Levy | 1.39 | .67 |
| C.i.f., U.S. Hard Winter Ordinary | 1.90 | |
| C.i.f., U.S. No. 3 corn | | 1.60 |
| Levy as percent of landed value | 42 | 30 |

*U.S. exports of selected agricultural commodities to the EEC*

[In thousands of metric tons]

| Commodity | 1957-59 | 1961 | Year 1970 projections [1] | |
|---|---|---|---|---|
| | | | Low | High |
| ASSUMPTION I | | | | |
| Cereals | (4,000) | (6,327) | (2,920-4,190) | (3,480-4,980) |
| Of which: | | | | |
| Wheat and wheat flour | 1,100 | 2,577 | 0 | 0 |
| Feed grains | 2,900 | 3,750 | 2,920-4,190 | 3,480-4,980 |
| ASSUMPTION II | | | | |
| Cereals | (4,000) | (6,327) | (3,270-4,803) | (3,830-5,593) |
| Of which: | | | | |
| Wheat and wheat flour | 1,100 | 2,577 | 350- 613 | 350- 613 |
| Feed grains | 2,900 | 3,750 | 2,920-4,190 | 3,480-4,980 |
| Meat and meat products | 43 | 97 | 9- 24 | 34- 90 |
| Fats and oils | 1,557 | 1,905 | 1,184-1,722 | |
| Tobacco | 50 | 95 | 43-67 | |
| Cotton | 435 | 518 | 200- 400 | 230- 460 |

[1] For cereals "low" refers to an annual rate of growth of 4 percent in private consumption expenditures per capita between 1958 and 1970, whereas under the high-income hypothesis, it is assumed that the latter will grow at 4.9 percent over the period. For all other commodities "low" refers to an annual rate of growth of GNP of 4.7 percent and "high" to a growth rate of 5.7 percent. The 2 above hypotheses are roughly equivalent. The above projections are based partially on studies by FAO, EEC, and the authors.

## FARM SHARE OF THE FOOD DOLLAR

Mr. McGOVERN. Mr. President, last summer's administrative steps to depress farm prices, or to prevent them from rising, if they were motivated by a priority interest in consumer demands for low-cost food, made it clear that one of the greatest long-range challenges facing farmers is in the area of communications.

Parity prices will benefit not only farmers and the rural economy; they will also assure continued abundant supplies of food for the consumer. This is one simple fact that must have national attention if our efforts to improve agricultural returns are to succeed.

But we can go beyond this and show how insignificant the farmer's share of the consumer food dollar really is and how it has actually declined while retail prices have been rising. I am convinced that if this relationship were broadly realized there would be little objection to treating farmers fairly. In a capsule, parity prices would be inexpensive as well as equitable.

The highly respected economic commentator, Sylvia Porter, has this week performed a great service in connection with these points on farm and food prices. Because they are written on matters of direct personal interest to millions of Americans and because their style is so direct and concise, I know that Sylvia Porter's columns are both widely published and, more importantly, widely read and understood.

I therefore heartily welcomed Miss Porter's column of April 17, which discussed the factors behind farmers' demands for better prices. 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:

McGOVERN'S MOVE TO HELP FARMER

(By Sylvia Porter)

Democratic Senator George McGovern of South Dakota, has seriously proposed a new food labeling system under which each package of food we buy would bear a label stating how much of the price is going to the U.S. farmer.

Agriculture Secretary Orville Freeman has called for new restrictions on imports of dairy products, at a time when quotas could have explosive political-economic implications.

Infuriated U.S. dairy farmers have tried milk-dumping campaigns in an attempt to drive up the prices they receive for milk.

Just these three news items dramatize the

fact that the American farmer again is in a tightening economic squeeze—for although he made unmistakable strides in catching up to the non-farm worker last year, the leveling off of food prices plus continually skyrocketing costs of operation are hitting him hard in 1967.

Just since 1959, farm machinery prices have risen a full 24 per cent and labor costs are up 35 per cent.

In addition, he's fighting severe farm labor shortages, intense local competition and growing competition from food imports from abroad. Last year alone, dairy imports jumped 300 per cent.

Despite all the progress the farmer has made during this decade, consider these facts:

Even with last year's overall 15 per cent income boost, the farmer still nets only a per capita average of $1,731 in yearly earnings, a full 60 per cent below average earnings of the non-farmer.

Even though retail food prices last year rose to 35 per cent above the 1947–49 average, prices paid to farmers for the food we bought actually were 2 per cent below those paid in 1947–49. Today, the farmer receives only 5½ per cent of the U.S. consumer's total after-tax income for his products—one-half the share he received in 1947.

Even though our spending for farm-originated foods has soared $40 billion since 1947–49, less than one-fourth of this increase has gone to the farmer. For every food dollar you spend today, the farmer gets only 40 cents—10 cents less than he received two decades ago.

Even though a significant number of big U.S. farmers are making record profits today, a far more significant number are being pushed over the brink of poverty. Just in the past eight years, the number of U.S. dairy farms has dwindled from 770,000 to 500,000.

Here's what the farmer gets for each dollar you spend for food:

*Farmer's share of $1 spent*

| Item: | |
|---|---|
| Canned beets | $0.06 |
| Corn flakes | .09 |
| Canned peaches | .16 |
| White bread | .17 |
| Spinach | .22 |
| Oranges | .24 |
| Potatoes | .30 |
| Fresh milk | .49 |
| Beef, choice | .59 |
| Eggs, grade A large | .65 |

This table explains the background for the farmer's demands more than a treatise could. With his price pressures on top of the generally rising costs of food production, processing, packaging, there's only one direction for the price of your food marketbasket in the months ahead: up.

## NEBRASKA EDUCATIONAL TELEVISION SYSTEM

Mr. CURTIS. Mr. President, we have in Nebraska a statewide educational television system which is a model for the Nation, and I am pleased today to invite the attention of the Senate to some of the details of this system.

The general manager of the Nebraska Educational Television Network is Mr. Jack G. McBride, of Lincoln, Nebr., a capable young man who provided much of the leadership for establishing this system. Mr. McBride also is director of television and general manager of the University of Nebraska's educational television station, KUON–TV.

The statement was made by Mr. McBride in person before the Subcommittee on Communications of the Senate Commerce Committee. He spoke as a representative of the National Association of Educational Broadcasters, and he described in some detail the direct gains which have been made for education in Nebraska as a result of the establishment of our statewide ETV network.

I commend the statement to the Members of the Senate as the testimony of an expert worthy of their most serious consideration in deciding the future action of this body on matters pertaining to the development of educational television.

I ask unanimous consent to have printed in the RECORD the statement by Mr. Jack G. McBride.

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

STATEMENT BY JACK G. MCBRIDE, DIRECTOR OF TELEVISION AND GENERAL MANAGER OF THE UNIVERSITY OF NEBRASKA'S KUON–TV, GENERAL MANAGER, NEBRASKA EDUCATIONAL TELEVISION NETWORK, BEFORE THE SUBCOMMITTEE ON COMMUNICATIONS OF THE SENATE COMMERCE COMMITTEE, ON S. 1160, APRIL 13, 1967

My name is Jack G. McBride. I am Director of Television and General Manager of the University of Nebraska's Station KUON–TV, General Manager of the Nebraska Educational Television Network, and Executive Consultant to the Great Plains Instructional Television Library. I have been honored to serve as a consultant on a number of occasions for various states, institutions, and national and international agencies and industries. I am Vice Chairman of the Television Sub-Committee of the North Central Association of Colleges and Secondary Schools, an elected member of the Affiliates Committee of National Educational Television, and a member of the Board of Directors and of the Executive Committee of the National Association of Educational Broadcasters.

I appear today as Chairman of the Board of Directors of the Educational Television Stations division of the National Association of Educational Broadcasters. With me are three distinguished gentlemen who will discuss various aspects of the bill and their experience related to it: Mr. Devereux Josephs, Mr. Newton Minow, and Mr. C. Scott Fletcher. Each of us will submit a prepared statement for the record, speak briefly about it, and then answer your questions.

Educational Television Stations is that division of the NAEB which concerns itself with appropriate national matters relating to educational television stations. Representatives of the licensees elect the ETS Directors, of which there are six. Serving with me on the ETS Board of Directors this year are Mr. Hartford Gunn, General Manager, WGBH–TV, Boston, Massachusetts, Mr. James Robertson, Director, WHA–AM–TV, University of Wisconsin, Madison, Mr. Robert Schenkkan, General Manager, KLRN–AM–TV, Austin, San Antonio, Texas, Mr. Loren Stone, Manager, KCTS, University of Washington, Seattle, Washington and Mr. Donald Tavenner, President, WQED–WQEX, Pittsburgh, Pennsylvania. The Directors then elect their own chairman and I am that chairman for this year.

Our organization has given a great deal of attention to the bill before you—S. 1160. It was discussed particularly as it related to the recommendations of the Carnegie Commission on Educational Television at our Second National Conference on the Long Range Financing of ETV Stations, March 5, 6, and 7, 1967, at which 350 station managers and governing board members were present here in Washington. Mr. Fletcher will discuss the Conference reactions to it later. Our Board of Directors met here in Washington in recent weeks again to consider the bill in detail and we have discussed it with our own local organizations. Our conclusion is that we come to you in complete accord with S. 1160 as it stands. We think it is a good bill and we urge its passage. We were grateful to President Johnson for his reference to ETV in his State of the Union message, and for his education message to the Congress which led to the bill we discuss with you today.

Before discussing the bill in detail, I would like to note a few general facts about educational television stations (for details see attached *Facts About Educational Television*). There are over 130 educational television stations now broadcasting, and they exist in areas throughout the United States, Puerto Rico, and Samoa. The typical ETV station broadcasts about 50 hours a week, with an average annual operating budget of about $260,000. Most of the program schedules are quite similar. About one-half of a typical station schedule is devoted to classroom instruction for elementary and secondary schools as well as for college credit, and about half of their programs are what the Carnegie Commission on Educational Television has so aptly called Public Television. Stations normally produce about one-fourth of their own programs, and get the remainder from diverse sources including National Educational Television in New York, the ETS Program Service, regional networks and other sources. (A summary "ETV Programs and Audiences" is attached.)

ETV stations are licensed by the Federal Communications Commission to operate noncommercially and to serve the educational needs of their own communities. None may accept commercial advertising. Each is responsible for its own program schedule. The stations are licensed about equally in number to four general categories of licensees: universities, State Commissions and Departments of Education, public school systems, and community organizations established specifically to operate ETV stations. All are tax-exempt organizations under 501(c)(3) of the Internal Revenue Code and contributions to them are tax deductible.

I would like now to turn my attention to specific provisions of the bill and our concern about them. Title I of S. 1160 is concerned with construction of facilities, an extension of the excellent program of the Educational Television Facilities Act of 1962. We applaud this extension. Educational television has taken giant steps ahead as a result of the Educational Television Facilities Act. That progress should be continued for much remains to be done. You have heard other witnesses testify to the considerable number of stations and increase in public service to the citizens of the United States which the ETV Facilities Act has enabled over the last five years. Mr. Minow here with us today was present, as were many of you on this Sub-Committee, on the occasion of the hearings and passage of this important Act. The Congress can be proud of that Act.

As we look back over the past years of success with the Educational Television Facilities Act, however, success is not measurable in terms of numbers of stations and dollars alone. Let me cite certain Nebraska examples which in many ways are typical of national ETV development. Were it not for the ETV Facilities Act the Nebraska ETV Network would not be providing a 7:30 a.m. to 11:00 p.m., 90 hours per week, year round statewide educational service. Were it not for the ETV Facilities Act, student nurses would not have received quality instruction in anatomy and physiology by television; law enforcement officers throughout the state would not be receiving timely in-school instruction in arrests and bookings; teachers, the latest in elementary science and math teaching methods; farmers and ranchers would not see demonstrations in corn root-worm control and cattle feeding; pu-

pils in Scottsbluff and Weeping Water would not regularly see and hear the Boston symphony and other metropolitan symphony orchestras; college students in Hastings and Peru, a chance to see great drama, preschoolers in Alliance and Grand Island, to watch *Television Kindergarten* and *What's New*. For the first time we have the mechanisms to bring the educational, cultural and historical resources of America's major metropolitan centers direct into the homes of the less populated areas which form a large part of our country.

We believe the future accomplishments of this Title will be even more far reaching than the obvious accomplishments of the Educational Television Facilities Act have been to date. Our Directors and staff prepared a Five Year Projection last year which predicted the growth of ETV in rather specific terms. We have appended a copy of this study to this testimony in the belief that it will prove of some guidance in planning the orderly growth of educational television stations and services in coming years. The Carnegie Commission on Educational Television arrived at much the same conclusions as did we regarding the future size and shape of educational television broadcasting in the United States. We respect the Carnegie Commission analysis and have made a comparison of their analysis and our plans. This is also attached to our testimony, as is a projection of the programming we think likely in the next five years.

In view of the current needs which can be so abundantly documented, we endorse the wisdom of continuing it for an additional five years and adding additional dollars to it. S. 1160 would add 10½ million dollars for the next fiscal year to carry out the purposes of this Title. These dollars are vitally needed if ETV is to continue to grow. That the present Act has been a success can be judged in one measure in that all funds authorized for grants have been committed. A new applicant today will find no federal assistance available to him under this Act. And we are aware that applications for more than that amount—indicating dire need from throughout the United States—are already on hand in the Office of the Secretary of Health, Education, and Welfare.

We have further conducted inquiry among ETV stations to ask what plans they would have in the future for applying for additional matching funds under such a Title. From 40 existing stations, we have received anticipated 1967–68 applications for federal funds of over $28 million. Planned projects include establishing a second ETV station, conversion to color, adding mobile and film equipment, new studio, and, with the proposed new legislation, building an educational radio station, plus expanded radio and TV networking. We regard this as ample confirmation of the intent of the bill, and the need exists and will be well served by this Title.

A report we made last year to Senator Warren Magnuson showed that for every dollar expended in the Facilities Act at least $2 or $3 resulted locally in operations and capital matching funds. Thus have the federal funds also generated continuing and growing local support as a result.

In terms of other provisions of this Title we note that the maximum sum to be granted to any single state has been raised from $1 million per state to 12½% of the total appropriation for any year. We think this is a good provision. As long as two years ago, responding to an inquiry from the Office of the Secretary of HEW, our organization spoke to the need for lifting of the previous $1 million ceiling in the Act. Even then, a number of states which had experienced rapid and healthy development in educational television had reached their $1 million ceiling, and were unable to proceed further in terms of federal assistance.

The State which I am privileged to represent, Nebraska, is a good case in point. In 1963 the Nebraska Legislature authorized development of a State ETV network to serve all the schools, colleges and homes of our State, which is almost 500 miles wide. To date, 5 full-power, tall-tower stations have been activated and the 6th and 7th are under construction. But we consumed our 1 million limitation under the Facilities Act before the 5th station was completed and we still have additional stations to activate, and dark areas to cover to bring the many instructional and cultural benefits of ETV to the more sparsely populated areas. For these reasons, our Nebraska ETV Commission has requested from our legislature currently in session additional funds to match additional appropriations contemplated in S. 1160. There is still much to be done; more channels, interconnection, colorizing, updating production origination facilities. Nebraska's needs are paralleled in many other states.

We note with considerable pleasure the inclusion of educational radio stations as eligible recipients under terms of the Act. Our Directors, long ago urged that educational radio stations be made eligible for these grants. Again last year we submitted a report to Senator Magnuson in which we confirmed this recommendation. About ⅓ of our educational television station licensees are also licensees of educational radio stations. We expect this proportion to increase in future years as the two media are used in joint support for educational service in their communities. Each has a definite role to play in education and community service.

In another provision of this Title we are pleased that federal participation may be increased up to 75% to each applicant. We believe this to be a good change in the procedures of facilities grants. This change will allow the Secretary of HEW flexibility to meet a wide variety of local needs. This is entirely consistent with the recommendations we have made over the past two years in this regard.

We are pleased at the inclusion of the Virgin Islands, Guam, American Samoa and the Trust Territories of the Pacific Islands as eligible recipients. We have long urged the inclusion of these important developing areas. Our own organization, the NAEB, has played a major role in the development of educational television in American Samoa as has become well known througout the nation. We think that the techniques there can be applied to these other areas with equal benefit.

We appreciate that planning for these activities is also eligible under the new terms of S. 1160. An educational television or radio station is a complex enterprise requiring a high degree of planning for its proper development.

I would turn now to the second Title of the Act which calls for the establishment of a non-profit educational broadcasting corporation. It is this Title which is the exciting new proposal we face today. My colleagues Mr. Fletcher and Mr. Josephs and Mr. Minow each have specific comments about the organization and functions of this Corporation and the valuable programming services it can generate in each community as well as nationally. I would add specific comments of my own. Speaking for the ETV stations, we concur absolutely in the aims of this Title. We believe it is in the public interest for the Congress to encourage the growth and development of noncommercial educational radio and television broadcasting. We heartily endorse the policy aims of freedom, imagination and initiative which we know from direct and long experience are the cornerstones on which public television must be built. Our aim has always been to achieve diversity and excellence, although, heretofore, we have seldom had the means at all levels to accomplish it. We have studied the recommended Corporation and we believe that this is an appropriate agency for the Congress to establish, and that it can be of extremely vital service in assisting the continuing development of educational broadcasting throughout the United States.

There are several important aspects of this Corporation to which we would speak. We concur with the objective of the President of the United States when he spoke in his message on education to the Congress that this Corporation must be free from any undue outside influence. We believe the Corporation as described and established by the bill will accomplish that purpose. I can state categorically that no educational broadcasting licensee desires interference with his own local authority or with his program schedule. We do not permit it now; we cannot permit it in the future. The licensee's responsibility is total for his own program schedule. I can assure you that the institution and agency which employ me and those licensees of all other educational television stations concur absolutely. We can tolerate no interference with the autonomy of our program schedules today or in the future. These are our credos in educational broadcasting.

We recognize that one of the major methods of appropriately insulating this Corporation from undue government influence is provided through the appointment of its Board of Directors. We believe that the appointment method proposed in S. 1160 is entirely consistent with these aims. In our opinion, Board members appointed by the Chief Executive of the United States, with the advice and consent of the Senate of the United States, under the conditions established in the bill, is a satisfactory means of securing the highest possible leadership for these policy-making positions, as well as insuring adequate responsiveness to the people of the United States in their selection. I am sure that my other colleagues here will also express themselves to this point.

I should add that it is the unanimous opinion of the ETS Directors that no staff or Board member of any ETV licensee should at the same time serve as a Board member of this Corporation.

We note the wisdom also of the particular directives in the selection of the Board members that there should be no political test or qualification used in their selection, and we, of course, support strongly the position that the Corporation may not in anywise be a politically active Corporation. This is certainly consistent with our own operations as nonprofit tax-exempt organizations.

In terms of the specific activities of the Corporation we applaud the establishment of the Corporation itself as essentially a non-operating entity. We believe it just as important that the Corporation be insulated itself from the day to day activities of a broadcast station or network as it is from political control in its selection of staff and Board members. We think it an important part of this insulation that this Corporation be essentially a grant-making organization for the improvement of a wide variety of educational broadcasting tasks, and not itself a contract-making agency, and thus the creator and broadcaster of the resulting programs. We think this is a further insurance of objectivity and separation from the possibility of improper government influence.

We support the broad activities to which this Corporation would offer encouragement. Extremely critical is the operational support of some of our stations. We have too great a number of ETV stations today which operate with budgets far below any level of effectiveness in their own communities. A majority of ETV stations operate annually on less money than the cost of 1 hour of a prime time program on a commercial net-

work. Despite these limitations, we are proud of the achievement to date of our ETV stations. We longingly look to a future of vastly improved and increased service. Therefore, we are pleased that the Corporation in such situations can assist in the direct operational support of those stations.

We are painfully aware too that many local program opportunities exist which cannot be met because of inadequate local financing. The ETV stations in Nebraska would welcome the opportunity to produce timely documentaries dealing with public affairs and issues facing Nebraskans. We look forward to producing local out of school general educational programs for children; but these productions take a full complement of professional, not part-timers or the inexperienced, or even capable professionals who must perform 2 or 3 different production tasks. Again we are pleased to note the Corporation can assist.

We are aware of the growing development of regional networks for the pooling of resources in any number of regions. The Eastern Educational Network has long been a successful model in this regard and we note the growth of other such systems in the middle west, west and south. We encourage them, and we agree that the Corporation should assist them.

At the national level, the excellent record of National Educational Television, with which most of our stations are affiliated, clearly shows what can be accomplished in ETV when adequate resources are available. NET deserves and should get additional support from the proposed Corporation. In this respect also our own organization has fostered the development of the ETS Program Service in Bloomington, Indiana, which exchanges the best programs of the stations themselves. However, the ETV stations themselves cannot yet afford all the costs of exchanging programs themselves. Thanks to grants from the National Home Library Foundation and the W. K. Kellogg Foundation, the ETS Program Service has already had a year of rapidly expanding service to the ETV stations. We believe the ETS Program Service is an obvious development activity which the Corporation for Public Television should support in order to continue and expand its effective distribution of good ETV programs throughout the Nation. (We assume that this kind of national program service is not to be confused with the kind of archival library proposed that the Corporation itself could establish.)

We are also happy to see that the Corporation could assist organizations like ours to continue development of adequate publications for the continuing education of those in educational television. Our own *NAEB Journal* is certainly a publication which should merit support by the Corporation for Public Television in order to improve its development.

We note with great interest the mention of common carrier rates with respect to activities of the Corporation. It is no secret that the relatively high rates in terms of educational television operation have prevented the full development of regional and national ETV interconnection services. Thus do we encourage by the FCC and the Congress exploration of the means by which either free or reduced rates for these interconnection services could be granted to noncommercial educational broadcasting stations.

Regarding the financing of the Corporation itself, we think that diversity of income sources insures freedom and autonomy for local stations; and we assume that diversity of income sources will accomplish the same ends for the Corporation for Public Television. We note with great pleasure the already-pledged sum of $1 million from Columbia Broadcasting System to the Corporation for Public Television. We hope that other corporations, foundations and individuals may be inspired to do likewise by this generous contribution.

Insofar as the specific amount appropriated for the Corporation and the limits to any project or station grant in this beginning year, we know of no reason why this would not be satisfactory.

(We must note the ironic fact that at the same time this Sub-Committee is considering how to add modest assistance to ETV's strained budgets, other pending legislation—the proposed Copyright Act revision—would add such restrictions to ETV programming as to increase our program costs considerably. A study released by our organization estimates this cost at almost $50,000 per station annually, with most of the increased costs going for new station staff needed to cope with the administration of the proposed revisions in the Copyright law. We would hope that this search for the appropriate national policy for ETV can be related to the development of realistic conditions for ETV operation under any changes in the Copyright law.)

Turning to Title III, which authorizes a comprehensive study of instructional television and radio, we certainly approve. Just as has been done for Public Television by the historical Carnegie Commission study, we feel a study of similar stature with similar outstanding citizens serving it, should be applied to the field of instructional television. It was quite proper that the limited time staff and funds of the Carnegie Commission on ETV be devoted to a single aspect of ETV, Public Television. It is equally appropriate, indeed necessary, that similar attention be given to the companion service of ETV—instructional TV.

Instructional TV in Nebraska is a major factor in our schools. Our elementary and secondary students are regularly receiving instructions in French, English literature, social studies, science and other subjects through our state network. Last week, for example, through the Nebraska ETV Commission for Higher Education, students on Nebraska public and private college and university campuses throughout the State—from Omaha on the east border to Chadron in the west—saw a special interview with a contemporary poet in her home here in Washington; filmed for us by the Washington ETV station.

Nationally, the potential for instructional television is great. Progress is being made. National TV class enrollments have tripled in the past 5 years, according to figures recently released by the National Center for School and College Television. (See attachment: *The Size and Growth of the School TV Audience.*) But problems persist—problems such as quality improvement, increase of services and financing. Answers to these problems must be found or the full potential of instructional television will never be reached, and American education will be the loser.

We are all aware of the considerable studies that have been done by the U.S. Office of Education and the Ford Foundation in the past as to specific problems in instructional TV. We are sure these will furnish a valuable foundation on which the proposed study can be built. As with others we would look to the future for the time when other nonbroadcast media can get equal emphasis, although we recognize that the funding of Title III would not permit such a broad study at this time. We are certain that our ETV station constituents will give full support to this study as it proceeds, as we were pleased to do with the staff and Commissioners of the Carnegie Commission on ETV.

## WATER POLLUTION CONTROL

Mr. McGOVERN. Mr. President, the American people and the national economy are totally dependent on assured supplies of fresh, wholesome water. It is an absolute necessity. We know of no substitute.

Yet all too often our use of this vital commodity has been a process of exploitation with little or no concern for future needs. We have been rendering unusable more and more of our limited water resources, and the day is not far off when we will not have enough even to sustain our current requirements, let alone to supply a growing population and an expanding economy.

The prospect of a stagnant Nation, crippled economically and physically by pollution, demands that we turn our full energies toward means of protecting and preserving water supplies.

In a recent interview for the Chicago Tribune, Consulting Economist Eliot Janeway questioned one of our most foresighted and authoritative congressional spokesmen on the issue of water pollution control, Senator GAYLORD NELSON, of Wisconsin. Senator NELSON supplied a concise description of the urgency of our task and of methods that might be used to deal with it. I ask unanimous consent that the interview be printed at this point in the RECORD.

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

### CONGRESS TO WEIGH POLLUTION PROBLEMS

(By Eliot Janeway)

NEW YORK, April 5.—Overnight, pollution has surfaced as a major American social disaster area. The acuteness of the problem is a standing criticism of the way we have spent our money in this age of affluence. A study just released by the Chase Manhattan bank projects early costs for air and water pollution control at 5 billion dollars annually now, and assumes a steady annual rate of 10 billions by 1970. But Congress strikes the balance between national requirements and national expenditures. Accordingly, this column interviewed Sen. Gaylord Nelson, Democrat, of Wisconsin, a veteran student of conservation problems.

Q.—Is the pollution problem really as grave as we are led to believe?

A.—Indeed it is, and public pressure all the way from the top scientific levels to the grass roots is growing every year for something to be done about it. Our national available supply of water in this country is 600 billion gallons a day, and there's no way to increase that amount appreciably. We now use 35 billion gallons a day. But by 1980 our best estimate is that we will be using 600 billion, and by the year 2000, 1.2 billion, or twice the national daily supply. This means that we will have to use the same water over and over again. And, since the time and cost involved in repeated cleaning are absolutely prohibitive, we'd better find ways to clean up our fresh water and keep it clean.

#### HAS PROVED EFFECTIVE

Q.—What federal legislation is now operative in pollution control?

A.—One law that has been on the books for several years has proved quite effective. It provides that, if there is provable pollution of interstate waters, the secretary of the interior may convene a conference of the States involved. Once the conference machinery is set up, each municipality and each industrial installation in the watershed is checked out; samplings of the water are taken and examined; the sources of contamination are identified; and offenders are required to install adequate anti-pollution equipment. About a year ago, for example,

some 50 companies along the Detroit river undertook such a program. Any company or municipality that refuses to comply with the recommended corrective measures faces federal court action.

Q.—You, I understand, are the sponsor of some new legislation. Will you describe it?

A.—I have several bills providing for federal assistance. Of course, no matter how the program is financed, the American public will foot the bill, whether as taxpayers or as consumers. My industrial bill provides for low interest loans, matching fund grants from the federal government, flexible depreciation schedules, and fast tax writeoffs on anti-pollution expenditures by industry. A municipal bill provides for the same financing as that applied to the interstate highway system. 90 per cent federal funds for a matching 10 per cent in state and municipal funds. Another bill proposes contracts with universities, nonprofit corporations, and private corporations for research and development in hardware and processes for the neutralization and disposal of wastes. Some rather remarkable progress in new equipment development is being made. I recently visited a plant in my home state where they're making the first effective low-cost marine sewage treatment plant for installation on ships. It will be priced within ready reach of all ship operators. Equipment like this could take a long step toward solving pollution of harbors and in the Great Lakes.

ASKS CONGRESS INTENT

Q.—Is Congress of a mind now to appropriate the needed funds?

A.—The Viet Nam war is undoubtedly deterring some congressional action, but once that's over the program is certain to accelerate fairly rapidly. Actually, altho the total cost of cleaning up our air and water over the next 20 to 30 years adds up to quite a bit of money, it is only about the equivalent of two years of defense spending at the present rate. It seems rather tragic that this dramatic increase in awareness of the seriousness of the problem has come so late—considering that Theodore Roosevelt, as far back as 1906, proclaimed conservation the most important American domestic problem. It was then, and the need to solve it is even more urgent now. We can't afford a stop-go approach that fluctuates with the ups and downs of the economy. We need a continuously expanding program at a steady rate of increase—beginning now.

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## ON WIRETAPPING LEGISLATION—STATEMENT OF REPRESENTATIVE CLAUDE PEPPER BEFORE HOUSE JUDICIARY COMMITTEE

Mr. LONG of Missouri. Mr. President, Congress has no abler opponent of wiretapping and eavesdropping than Representative CLAUDE PEPPER, of Florida. As a Member of the Senate he held a most important investigation into wiretapping 15 years ago. Two years ago he testified before my Subcommittee on Administrative Practice and Procedure when we held hearings in Miami, Fla. He has consistently urged Federal legislation to protect the American citizen from invasions of privacy by Federal and private agents.

Mr. President, today, before the House Judiciary Committee, Mr. PEPPER made an eloquent statement in support of the Right of Privacy Act of 1967 which I introduced in the Senate and which he and Representative CELLER introduced in the House. In his statement he said:

If we concede here that we are so helpless in our fight against crime that we must in essence open the doors and windows of every home and office building in the United States and submit the people to the possibility of an unreasonable search, anytime, anyplace, and anywhere; then gentlemen, we have indeed fallen into a sorry state. But I do not believe that this country has reached such depth.

Mr. President, I ask unanimous consent that Representative PEPPER's fine statement be printed in the RECORD. I commend it to all Members of the Senate.

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

STATEMENT OF THE HONORABLE CLAUDE PEPPER, BEFORE THE HOUSE JUDICIARY COMMITTEE, REGARDING H.R. 5470 AND H.R. 5386, THE RIGHT OF PRIVACY ACT OF 1967, APRIL 19, 1967

Mr. Chairman and members of the subcommittee, I would first like to thank the member of this subcommittee for allowing me to present my views on my bill, H.R. 5470 and that of the able Chairman, Mr. Celler's, H.R. 5386, The Right of Privacy Act of 1967.

My interest in wiretapping legislation is not new. Fifteen years ago I headed a Senate Subcommittee which investigated wiretapping here in the District of Columbia. At that time the devices with which we were confronted had not approached the sophistication of the present devices, but even then we recognized wiretapping as a problem which must be faced if we were to protect the citizens of our nation from unwarranted intrusions which go far beyond anything the framers of our Constitution could have imagined when they prohibited unreasonable searches and seizures.

The problem of wiretapping and eavesdropping, to my mind, falls into two distinct and separate categories; intrusions by government officials and the intrusions by private persons. In the case of wiretapping or eavesdropping by government officials whether they be federal, state or local, an argument can be made in favor of controlled wiretapping and eavesdropping; to deny that would be to shirk the responsibilities with which we in Congress are endowed. However, I believe that a review of all of the circumstances and all of the arguments in favor of such action by government officials falls far short of sufficient justification to allow such action, except in the most serious national security cases. What we are dealing with here is that most basic of rights with which the American people are blessed, the right to be let alone. If we concede here that we are so helpless in our fight against crime that we must in essence open the doors and windows of every home and office building in the United States and submit the people to the possibility of an unreasonable search, anytime, anyplace, and anywhere then, gentlemen, we have indeed fallen into a sorry state, but I do not believe that this country has reached such depth. My faith in the American people and in the government of the United States will not let me believe it. Not for one moment will I admit that we must authorize such intrusions by the government into the private lives of our people for reasons involving anything less than national security.

Along every front and in almost every conceivable way our privacy is being eroded by the course of progress and the growth of country, and to the extent that such erosion is natural, it is unavoidable in a growing nation. But we have a duty to protect the people from an unnatural growth of this process and, to my mind, sanctioned wiretapping and eavesdropping is an enlargement of the natural erosion of privacy most unnatural.

Wiretapping and eavesdropping by private individuals presents a somewhat different problem. Here we have actions that, by any name, are so at odds with the ideals of this country that they never should have been allowed to start. As I stated before, an argument can be made for wiretapping by government officials but I submit, gentlemen, that no argument, however tenuous, can be made which would justify the use of wiretapping and eavesdropping devices by private persons.

Presently the situation is deplorable and only the high cost of the devices available to the public limits their use. However, the devices are available to any and all who have the money. I do not believe that it would serve any purpose for me to go into lengthy description of all of the devices which are available to the general public. Suffice it to say that they are numerous and most ingenious. So ingenious, in fact, as to represent a threat to the privacy and the security of every American.

The Right to Privacy Act will protect us all from these devices, no matter in whose hands they are, and it behooves us to act now to enact this bill for time is of the essence.

The power of the Congress to enact this legislation is clear. The "Commerce Clause" dictates a clear grant of authority to prohibit the interception of interstate and intrastate messages because they both use the same wire and to prohibit the interstate shipment of wiretapping and eavesdropping devices and the use of such devices which have been shipped whole or in part in interstate commerce. The need is clear, the power to act is clear, and I wholeheartedly support this measure which responds to this need.

This measure which is before the subcommittee brings into focus the crime aspect of the wiretapping dilemma and I feel should be given further attention. Law enforcement officers have, time and again, declared a need for the power to wiretap in order to fight crime effectively and, while I respectfully dissent from their position on this issue and have done so, I feel that I must speak up on their behalf and recognize that they are indeed faced with an almost unsurmountable but not insoluble problem.

Crime in this country has, in recent years, been growing at a rate which staggers the imagination and the trend continues. In 1965 two million seven hundred and eighty thousand serious crimes were reported to the police and the first nine months of 1966 showed a ten percent increase during that period. In terms of crimes per one thousand inhabitants the 1965 figure represents a thirty-five percent increase over 1960. The growing concern of Congress with the crime problem is clearly reflected in the Congressional Record index where the number of items concerning crime has grown with the crime rate. This growing crime rate with which we are faced has spread alarm throughout the country and I believe that we must act now to attack the problem on its many fronts.

We are all aware of the menace of the Cosa Nostra, or Mafia, as it is more generally known, and we are aware of the unrest and unsettled condition in our great metropolitan areas. And, as we are aware, so are the citizens whom we represent and our duty to them demands that we act now and use the full extent of our powers to alleviate this problem. If we allow the situation to continue on its present course, unabated and unchecked, the reaction of law-abiding citizens to the situation may well exceed all constitutional limitations. In my home state of Florida the governor has taken it upon himself to hire a private police force answerable only to him for its actions and operating well outside the framework of the constitutional government of Florida. If we do not act against crime in a manner more responsive to the situation such private police forces, abhorrent though they may be, may become the order of the day. We cannot dismiss lightly this possibility which, if it came to pass, would place in dire jeopardy all of

our precious rights and liberties. We have many means of fighting crime, but we are sorely lacking in knowledge of how best to approach the situation. Our past history in the fight against crime shows that, by and large, we have chosen a piecemeal approach to the problem rather than a comprehensive, overall approach which would attack the problem at its many roots.

We have come to realize, however, in recent years, that crime must be fought on two levels: (1) the present crime problem and how to reduce it and (2) the causes of crime and how to eliminate them. One is a short range goal, the other a long range goal.

However, before any action is taken on a broad scale, we must have more information so that we may be surer that action has concrete results and does not simply evolve into just another funding effort on the part of the Federal government.

In the area of combatting crime we must first admit our limitations. We cannot create a national police force. The primary responsibility for law enforcement is upon state and local governments. Therefore, we must investigate in depth the means which we can employ and the methods whereby these means may be most effectively put into use. The President's message on crime represents an important effort in this direction. Contained in it are numerous proposals of great merit, including the Safe Streets and Crime Control Act of 1967, law enforcement hearings, and proposed legislation to act in the fight against organized crime. The number of presidential proposals reinforces my view of the enormity of the problem.

I believe that we here in Congress can act in a more efficient and responsive manner to the terrible problem of crime in the United States if we create either a joint committee to investigate crime or a select committee in the House to deal exclusively with the problem of crime and I have introduced legislation which would accomplish this. House Joint Resolution 1 would create a Joint Committee to investigate crime and would be composed of seven members of the House and seven members of the Senate and empower the joint committee to make continuing investigations and studies of all aspects of crime in the United States including, and I am here quoting from the joint resolution; (1) its elements, causes, and extent; (2) the preparation, collection, and dissemination of statistics thereon, and the availability of reciprocity of information among law enforcement agencies, Federal, state and local, including the exchange of information with foreign nations; (3) the adequacy of law enforcement and the administration of justice, including the constitutional issues pertaining thereto; (4) the effect of crime and disturbance in the metropolitan urban areas; (5) the effect, directly or indirectly, of crime on the commerce of the nation; (6) the treatment and rehabilitation of persons convicted of crimes; (7) measures for the reduction, control, or prevention of crime; (8) measures for the improvement of (a) detection of crime, (b) law enforcement, including increased cooperation among the agencies thereof, (d) the administration of justice; and (9) measures and programs for increased respect for the law. House Resolution 16 which I introduced contains the same powers for the House Select Committee.

These powers I believe must be embodied in one special committee so that it may examine the problem of crime in this country in its entirety. As I stated before we are in dire need of knowledge throughout the broad spectrum of crime and I am firmly convinced that it is only through the creation of a special committee that we can obtain this knowledge and thus obtain an effective tool to use in enacting effective legislation.

If such a committee is created it can provide us with invaluable information which otherwise might not come to our attention. The committee could weigh the pros and cons of the numerous proposals to combat crime which are made almost daily by experts in almost every field of human endeavor. We should, I believe, hear in full everything that the best thinkers in psychology, sociology, penology, law enforcement, etc., can tell us about the many faces of this problem.

The committee would act as a repository of information on crime and all of its aspects so that we, acting in our individual capacities, and as members of our legislative committees, could draw upon its expertise and information in preparing remedial and imaginative legislation proposals.

We must concede that crime is a problem of almost unimaginable complexity and that information in depth on the subject is most difficult to obtain and assess, and once we make this concession our course of action becomes clear. We must develop within the Congress the means of obtaining and assessing information on crime and all of its complexities and ramifications. The most efficient way, I believe, to accomplish this end would be to create a continuing body with Congress to provide this service. Without this service we must continue to respond to piecemeal proposals and relinquish to the Executive Branch the initiative and the real power to act on this vital social problem.

Thank you very much.

## THE THREAT OF OUR EXPLODING POPULATION

Mr. GRUENING. Mr. President, this past Saturday the New York World Journal Tribune commented on the population problem, and correctly pointed out that AID "is still just dabbling with the problem. Many more doctors, nurses, demographers, administrators, and educators, and much more high-level fervor will have to be put into the effort if the population challenge is going to be tackled in time."

I ask unanimous consent that the full content of this excellent editorial be inserted in the RECORD at the conclusion of my remarks as exhibit 1.

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

EXHIBIT 1

THE POPULATION THREAT

Population growth is climbing right through the ceiling.

British-ruled India, 20 years ago, had 380 million people; today that subcontinent holds 610 million. Indonesia had 55 million people in 1947; today the total is 106 million. The Philippines' population in 1946 was 19 million; today it's 34 million. Brazil had 47 million people in 1946; today the figure is 85 million.

Population growth on that scale is just too much. If the present trend continues, the world's 3.5 billion people will double by the year 2000 and there will be mass starvation, misery and political turmoil the likes of which the world has never seen. Some experts think as early as 1975 some nations will see widespread famine, despite the best efforts to increase the world's food supply.

The United States led the fight in World War II against the forces of aggression; we led the world in forming the United Nations; we have defended freedom in the great tests of the postwar world; we have led the way in improving the lot of peoples through economic aid. But we cannot seem to act as leaders in this great, on-rushing population problem that is second, in President Johnson's phrase, only to war itself.

The Agency for International Development is at last waking up to the need for action. Director William Gaud has told congressmen that AID will go beyond the studies, research and timid advice to which it has limited itself and now will provide family-planning contraceptives, notably birth-control pills, to friendly governments requesting them.

Gaud asked for $20 million for the population project in the new fiscal year. But AID is still just dabbling with the problem. Many more doctors, nurses, demographers, administrators and educators, and much more high-level fervor will have to be put into the effort if the population challenge is going to be tackled in time.

## CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

## INVESTMENT TAX CREDIT

The Senate resumed the consideration of the bill (H.R. 6950) to restore the investment credit and the allowance of accelerated depreciation in the case of certain real property.

The PRESIDING OFFICER. The bill is open to further amendment.

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.

MEAT IMPORT LIMITATIONS

Mr. McGOVERN. Mr. President, I have an amendment at the desk and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment submitted by Mr. McGOVERN, is as follows:

At the end of the bill, add a new section, as follows:

"TITLE II—MEAT IMPORTS

"SEC. 201. Strike all of Section 2 of P.L. 88-482, approved August 22, 1964, (78 Stat. 594) and substitute the following:

"SEC. 2. (a) It is the policy of the Congress that the quantity of the articles specified in Items 106.10 (relating to fresh, chilled, or frozen cattle meat); Item 106.20 (relating to fresh, chilled or frozen meat of goats and sheep (except lambs)), and Item 106.30 (relating to lambs), of the Tariff Schedules of the United States, which may be imported

into the United States in any calendar year beginning after December 31, 1966, should not exceed the average quantity imported during the years 1958 to 1962, inclusive; except that this quantity shall be increased or decreased for any calendar year by the same percentage that estimated average annual consumption of these articles in that calendar year and the two preceding calendar years increases or decreases in comparison with the average annual consumption of these articles during the years 1958 thru 1962, inclusive. It is further the policy of the Congress that the quantity of importation of each Tariff Schedule item separately should be so limited.

"(b) Before the beginning of each calendar year after December 31, 1966, the Secretary of Agriculture shall estimate and publish the quantities prescribed for such a calendar year by subsection (a).

"(c) Before the beginning of each quarter in each calendar year after 1966, the Secretary of Agriculture shall estimate the quantity of each item described in subsection (a) which (but for this section) would be imported in such subsequent quarter and, if the quantity thus estimated by him is in excess of one-fourth of the quantity prescribed in subsection (a), and estimated under subsection (b), the President by proclamation shall limit the quantity of the articles described in subsection (a) to one-fourth of the quantity estimated for such calendar year by the Secretary of Agriculture pursuant to subsection (b).

"(d) The Secretary of Agriculture shall determine at least quarterly quantities of commodities being imported into the United States under Items 107.40, 107.45, 107.50, 107.55 and 107.60 (relating to beef and veal, prepared or preserved (except sausages)), and if he determines that there is an abnormal increase in such importations as a consequence of limitation on items described in subsection (a), the President shall by proclamation limit the total quantities of such items which may be entered, or withdrawn from warehouses, for consumption, during any calendar quarter to a quantity based on the average importation during the years 1958 thru 1962, inclusive, plus a proportionate share in the growth of United States consumption of such items.

"(e) In calculating the quantity of any of the items described in subsections (a) and/or (d) and imported into the United States the quantity of any such items purchased by the Department of Defense for use by its forces abroad shall be included in the total of importations.

"(f) The Secretary of Agriculture shall allocate the total quantity proclaimed under subsections (c) or (d) among supplying countries on the basis of the shares such countries supplied to the United State market during a representative period of the articles described in subsections (a) and (d), except that due account may be given to special factors which have affected or may affect the trade in such articles. The Secretary of Agriculture shall certify such allocations to the Secretary of the Treasury.

"(g) The Secretary of Agriculture shall issue such regulations as he determines to be necessary to prevent circumvention of the purposes of this section.

"(h) All determination by the President and the Secretary of Agriculture under this section shall be final."

Mr. McGOVERN. Mr. President, the amendment I am proposing to H.R. 6950 amends Public Law 88–482, approved August 22, 1964, to put a limitation on importation of certain meat and meat products in the United States.

Mr. President, I have discussed this amendment with the Senator in charge of the bill and the chairman of the committee, the Senator from Louisiana [Mr. LONG], and he has expressed his willingness to accept the amendment.

For the purpose of clarity, the amendment strikes section 2 of the act of 1964 and revises it to accomplish the following purposes:

1. To remove an allowance of 10 percent above the quota to be imported before the limitation is triggered.

2. To divide the annual quotas into quarterly quotas for each of the meats involved so the United States market will not be flooded in one month or one quarter with a disproportionately large share of the total annual quota.

3. To base the quotas on the average imports of 1958–1962, inclusive, plus a proportionate share of the increase in domestic *consumption*, instead of *production* as provided in the 1964 Act. This seems to me appropriate since over-production in the United States should not become the basis for swelling import quotas, and worsening any oversupply problem.

4. Inclusion of lamb, under the quota system.

5. The inclusion of U.S. purchases from foreign suppliers by the Defense Department for consumption by U.S. armed forces abroad in any calculation of total imports.

6. To give the Secretary of Agriculture discretion to bring canned, cured, and preserved beef, mutton and lamb under similar controls. There is evidence that these categories in the Tariff Schedules may be used to escape fresh meat limitations.

Livestock producers are wrestling with low prices resulting from an error in cattle numbers reports and excessive tonnage in the markets. They are entitled to an assist from the Government, which is at least partially responsible for the oversupply.

The Department of Agriculture made a serious error in its reporting on cattle numbers in the United States and, until January, reported cattle numbers to be over 3 million head less than the actual number. When the numbers error was corrected, and the recognized number in the United States increased, the markets weakened sharply.

It is continuing to decline and I am told it dropped 25 cents today although it is already far below a break-even price to producers.

In my opinion, this amendment plus a special purchase program of 200 million pounds or more of beef are, under the circumstances, fully justified.

Greater protection for both the cattle and sheep industry is essential. The present prices for cattle, mutton, lamb, and for wool are so low liquidation of many livestock operations is occurring and more are imminent. This will injure the consumers of this Nation as seriously as the producers themselves.

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

Mr. McGOVERN. I yield.

Mr. BYRD of West Virginia. Would the Senator allow me to add my name as a cosponsor of the amendment?

Mr. McGOVERN. Mr. President, I ask unanimous consent that the name of the distinguished Senator from West Virginia be added as a cosponsor.

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

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

Mr. McGOVERN. I yield.

Mr. HARRIS. Mr. President, the State I represent, the State of Oklahoma, has the second largest number of cattle of any State in the United States. I want to commend the distinguished Senator from South Dakota for offering this much-needed amendment. It does not change the basic philosophy of the imports quota law. In my judgment, it merely makes rather minor but very important changes in the basic law.

I ask unanimous consent that I may be added as a cosponsor of this amendment.

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

Mr. McGOVERN. Mr. President, I am delighted to have the support and cosponsorship of the Senator from Oklahoma, who has provided needed leadership in this field.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. LONG of Louisiana. As the Senator so well knows, I ordinarily would not accept the amendment; I would oppose it, because it is irrelevant to investment credit; but in view of the fact that we are considering legislation in the general area of revenue, I shall not oppose it. We started out legislating on campaign funds. Then we decided to get into the field of corrupt practices, of which, incidentally, the Finance Committee has no jurisdiction, but we now have a couple of corrupt practices laws in the bill. Then we wandered over into the social security area and legislated in that field for a couple of days, and I think effectively, because we rejected amendments that should have been rejected, and we took amendments which had been studied and which should have been adopted. Then we are going to go into the oil depletion field after a while and legislate in that area.

I am glad the Senator is thinking of the cattle producers. Perhaps the foreign aid law applies. I wanted the Senate to know how flexible the Senator from Louisiana can be.

May I say to the Senator from South Dakota that I am no longer in the beef business. I had a run at the cattle business some time ago. I bought a farm, and found some cattle on it. It seemed to me that there must be an easier way to lose money than in the cattle business, and I decided to get out of it. The Senator is welcome if he can help some people make a living in cattle in South Dakota. I am glad to see him propose an amendment to help them make a living.

About the only man I know of who makes money in cattle is the Senator from Tennessee [Mr. GORE]. He raises fine, prize cattle, fine bulls, and people have to pay $1,000 to have their cows make the acquaintance of one of his bulls. So I hope somebody may make a few dollars in that business. I applaud the Senator for taking this action. I think the average cattle producer is in worse shape than I am, and I got out of that business. I found there are better places to lose money.

Mr. McGOVERN. I thank the Senator for his compassion.

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

Mr. McGOVERN. I yield.

Mr. GORE. Customarily I pay a great deal more money in the course of a year to get advertising that is not nearly as good as the one that I have just received.

Mr. TOWER. Mr. President, I am pleased to be a cosponsor of the amendment being offered by Senator McGOVERN to cope with the seriously high level of domestic beef imports. As the Senate is aware, on several occasions within the past decade imports of foreign beef have been so high as to cause emergencies and severe losses to our American cattle producers.

Present law establishes quotas for certain types of meat, specifically fresh, chilled, and frozen beef, veal and mutton based on a formula established by the base of domestic production during the years 1959 through 1963. Import restrictions are not triggered until imports are estimated to reach 110 percent of the adjusted base quota.

The amendment offered by the distinguished South Dakota Senator would provide badly needed relief for our domestic producers. Present conditions in the industry are not conducive to a healthy growth of this vital industry.

As I stated last fall before the General Subcommittee on Labor of the House Committee on Education and Labor:

Greatly increased imports of beef have resulted in reduced employment in the cattle-raising industry.

I introduced legislation in the 88th Congress, along with a number of other Senators, which would have curbed the increased beef imports, but the Administration was successful in killing the legislation in committee. Since that time, cattle raisers in my state and throughout the nation have done their best to adjust to the problem, but it is still obvious that imports will have to be curbed if we ever expect the industry to return to full capacity operations.

While we open our own markets to vast quantities of foreign beef, at the same time we act against our own best interests by curtailing our exports. I am referring to the recent actions of the Commerce Department in imposing quotas on the export of cattle hides. I realize it is not the purpose of these hearings to go into an analysis of our export policies, but I bring this up to show that there should be a quid pro quo in formulating our export policies. Cattle raisers had gone to considerable trouble and expense to open up export markets for hides to recoup some of their losses in response to greater imports of beef. When the markets were established, the Commerce Department turned around and clamped a low quota on the number of hides which could be exported.

If we are to make our markets available to imports, steps should be taken to cushion the impact on our domestic labor market, and we should pursue a policy of freely allowing American producers to export where they are able, and to demand market concessions from countries which are allowed access to sell on American markets."

Mr. President, I urge the acceptance of the McGovern amendment to limit beef imports. I hope the Senate will agree to this amendment.

I also ask that the text of a letter I wrote to the Secretary of Agriculture earlier this year urging administrative action to grant relief to the domestic beef industry be reprinted at this point in the RECORD.

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

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*February 15, 1967.*

Hon. ORVILLE FREEMAN,
*Secretary of Agriculture,*
*Washington, D.C.*

DEAR MR. SECRETARY: I am writing in regard to the serious price declines presently being experienced in the cattle feeding industry.

In view of the increasing high level of beef imports and the unusually low returns going to United States cattlemen, I urge that the Department act as soon as possible to resume its purchase of choice beef for use in the school lunch program. Present price levels present an opportunity for the program and would strengthen the market.

I would appreciate a report on the Department's intentions in this regard.

Sincerely yours,

JOHN G. TOWER.

Mr. HRUSKA. I am in support of the amendment of the Senator from South Dakota. I hope it will be adopted. I wish to ask his indulgence and ask unanimous consent that I may become a cosponsor of the amendment, if it is agreeable to him.

Mr. McGOVERN. I am glad to have the Senator from Nebraska and the Senator from Texas join as cosponsors. I ask that their names be added to the amendment, as well as the names of the senior Senator from Missouri [Mr. SYMINGTON] and the senior Senator from Idaho [Mr. CHURCH].

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

Mr. HRUSKA. I am glad the Senator is taking this action in an effort to relieve the problems facing the major industry of the Midwest. It certainly is in our respective States and our neighboring States. The Senator has demonstrated an interest in the well-being of an industry which is so pivotal in our area.

Last Friday it was my privilege to address the Senate on this subject. At that time I outlined the principal points that would be embraced in a bill which was then in process of preparation and which I expect to introduce when the Senate convenes tomorrow. I invite Members of the Senate to participate in colloquy at that time, if they are so disposed.

The principal points which I outlined, I understand from the Senator from South Dakota, are embraced in the amendment he proposes today. I have not had the opportunity to read it in detail but from his description of it, it seems to get at the problems which were spelled out in my speech of last Friday.

Mr. McGOVERN. If the Senator will permit, I want to compliment him for the statement he made on the floor of the Senate a few days ago and also for the leadership he took in this area in 1964 as one of the principal proponents of import quota limitations.

The proposals in the amendment now before us follow generally the outline which the Senator suggested last week. There is one substantial difference. I have included lamb and lamb products in the import quota legislation on the same basis as beef and mutton. As the Senator knows, the sheep industry is in very serious need. Lamb, mutton, and wool prices are at disastrously low levels.

By including lamb in the legislation, which was not included in 1964, I think we have materially strengthened the legislation.

As a matter of insurance, I wish, when the Senator introduces his bill, he would list me as a cosponsor.

Mr. HRUSKA. I shall be very pleased to have the junior Senator from South Dakota as a cosponsor on this bill. I recall very well that the Senator was helpful and ultimately lent support on the proposal which I introduced which resulted in the progress we were able to make 3 years ago.

In the bill to be introduced tomorrow lamb is treated in a little different way. It is in that category of imports as to which the President would have discretion to impose a limitation on imports in case of a demonstrated need for it. Pork would be in the same category.

I am aware of the concern of the industry, which has experienced a marked decline. It will be included in the manner described above.

Notwithstanding the Senator's amendment, I believe it will be well to introduce the bill and ask for early consideration by the Finance Committee. It is in the general field of a tariff measure and is a very technical subject.

Mr. McGOVERN. The Senator is correct. It is a good insurance policy.

Mr. HRUSKA. That is fine. Again I commend the Senator from South Dakota, and also commend the sound judgment of the chairman of the Committee on Finance, in the decision he has made with regard to the pending amendment.

Mr. McGOVERN. I thank the Senator from Nebraska. I yield now to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I ask the Senator from South Dakota if I, too, may become a sponsor of his bill?

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

Mr. McGOVERN. I shall be happy to have the Senator as a cosponsor, and to have his strong and effective support.

Mr. HANSEN. I happen to come from a State that is very dependent on the livestock industry. Next to coal and associated minerals, agriculture, represented primarily by livestock, produces the second largest share of our income.

We happen to be a State that is characterized by a short growing season and a high altitude; and were it not for the fact that we have livestock, both cattle and sheep, in our State, there is much of Wyoming that could not be put to beneficial use. Because of that fact, it is particularly important that we keep our livestock industry viable and healthy.

I look forward to the early passage of the legislation introduced by the distinguished Senator from South Dakota as bringing a necessary measure of relief to an industry that is really hard pressed. Just a few days ago, I was told that parity now stands at 73 percent—the lowest it has been, I think, in some 30 years. We cannot longer remain oblivious to what is happening to the sheepman and the cattleman in this country of ours. If we do so, we run the

risk of having a great many of them go out of business.

Mr. McCARTHY and Mr. YARBOROUGH addressed the Chair.

Mr. McGOVERN. I yield next to the Senator from Minnesota, as I have told him I would do.

Mr. McCARTHY. I, too, wish to ask the Senator from South Dakota if I may join as a cosponsor of his amendment.

Mr. McGOVERN. I ask unanimous consent that the name of the Senator from Minnesota [Mr. McCARTHY] be added as a cosponsor. I am pleased to do so.

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

Mr. McCARTHY. I agree with the chairman of the Committee on Finance in his decision. I hope he will strive to carry the matter through the conference, and to final action by Congress.

Mr. LONG of Louisiana. Mr. President, I do not want——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Louisiana?

Mr. McGOVERN. I am happy to yield to the Senator.

Mr. LONG of Louisiana. May I say to the Senate, I do not want people to get the impression that at the time of the consideration of the Senator's amendment only cattlemen were present on the floor of the Senate. Therefore, at such time as the Senator from South Dakota is prepared to yield the floor, I intend to suggest the absence of a quorum.

Mr. YARBOROUGH. Mr. President, will the Senator from South Dakota yield to me?

Mr. McGOVERN. I am pleased to yield to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, I request that the distinguished Senator from South Dakota add my name as a cosponsor of his amendment.

Mr. McGOVERN. I shall be happy to do so.

Mr. YARBOROUGH. I commend the Senator for his leadership in this area. I represent a State which has more cattle in it than any other State in the Union, the greatest beef producer, in volume, in the United States. This is of vital interest to my State. Texas is third in agricultural production per year. Our agricultural production has an annual value of about $2.5 billion; and, while cotton is the leading field crop and grain sorghum is not far behind, the meat production of the State accounts for $1 billion each year of the total of $2.5 billion of agricultural production. It is the most important single item in our agricultural production.

We have more than 300,000 farm families in my State—more than any other State in the Union. Texas is a stronghold of the small farm family. We have not yet gone to corporation farming on a great scale, as have some of the other States, and I hope that we never shall. But the stock farmers and the small landowners are vitally interested in this measure, because while our rainfall begins at 60 inches a year on the eastern border, it goes down to 8 inches at El Paso, and vast areas of our State—perhaps half of it—could not sustain themselves with field crops. Those areas are dependent upon ranching for their livelihood. In fact, of our 254 counties, 92 are in the Great Plains area, which is, as the Senator knows, an area greatly deficient in rainfall, and we have some counties which do not even have enough rainfall to be classed within that area, among the 92 counties of the Great Plains area as such. So this is a measure of vast importance to at least half of my State, where ranching is the most important industry. I am happy to join the Senator from South Dakota as a cosponsor.

Mr. McGOVERN. I thank the Senator for his remarks.

Mr. LONG of Louisiana. Mr. President, is the Senator from South Dakota prepared to yield the floor?

Mr. McGOVERN. I yield the floor.

Mr. LONG of Louisiana. 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.

## THE DEATH OF KONRAD ADENAUER: A LOSS TO THE WORLD

Mr. JAVITS. Mr. President, I call the attention of the Senate to the passing of Konrad Adenauer, one of the great men of our time.

More than any other man, in the Atlantic community, Konrad Adenauer led the way to a new role for Germany in the postwar world.

Domestically, he did much to bring about the West German constitution and the democratization of its politics. A strong personality himself, he nevertheless knew that the best path for Germany was through freedom and equality, not authoritarianism.

Internationally, he recognized that Germany must not succumb to the temptation of trying to be the dominant power in Europe by playing off Eastern against Western Europe. On the contrary, he firmly planted West Germany in the orbit of Europe and the Atlantic community and made it the most Pan European nation in Europe. For this all German youth rallied to Der Alte, as he was known. The European Common Market and NATO became the hallmarks of Adenauer's foreign policy. These will stand as monuments to his foresight and his place in history.

Mr. President, I had the privilege of knowing Konrad Adenauer personally over many years, and I saw him frequently both at home and abroad.

I know his son and I have met others of his close associates.

I extend my condolences to them and to the German Federal Republic on the loss of such a distinguished citizen as Konrad Adenauer.

Mr. SCOTT. Mr. President, I was saddened to learn today of the passing of Konrad Adenauer at the age of 91. I have fond personal recollections of this great gentleman, having had the honor and pleasure of meeting and conversing with him on several occasions.

We all recall with admiration the spirit and strength of this towering figure who dominated the scene in postwar Germany. He is fittingly known as the father of free Germany.

He was the founder of the ruling Christian Democratic Union and was elected the first Chancellor of the West German Federal Republic in 1949. For the next 14 years he guided his nation from the rubble of Hitler's dreadful Third Reich to a position of stability and respect in the community of free nations.

Konrad Adenauer made democracy a reality in a nation where the democratic process of government was only a textbook concept. He built Germany from a defeated nation, its cities largely destroyed, into one of the world's leading industrial powers—a feat which has been described as a modern economic miracle.

To the Adenauer family, the Government of the Federal Republic, and the people of West Germany, I wish to extend my sincere sympathy. We all suffer a severe loss in the passing of this great statesman.

## TAX BENEFITS FOR UNMARRIED INDIVIDUALS

Mr. SCOTT. Mr. President, I have become a cosponsor to the bill S. 35, which was introduced on January 11, 1967, by the distinguished Senator from Minnesota, EUGENE J. McCARTHY. The bill amends the Internal Revenue Code of 1954 to extend the head-of-household benefits to certain unmarried individuals for Federal income tax purposes. The groups benefiting would be unremarried widows and widowers, and individuals who are at least 35 years of age and have either never been married or have been legally separated for 3 years or more and maintain their own household.

The bill is designed to improve the horizontal equity in our tax structure. It would apply the same tax to individuals in similar economic circumstances. Under present law, certain individuals qualify as heads of households for income tax purposes. They include unmarried individuals who support another qualifying member of the household. For example, a taxpayer who supports a child would usually qualify as a head of household. What this means in practice is that the taxpayer computes his income tax under a special rate schedule, which provides half of the benefit that a married couple enjoys by filing a joint return. In addition, the taxpayer is allowed a $600 personal exemption for the child.

There are instances, however, when a single individual is contributing to the support of another person; but because of the restrictive language of the law, he does not qualify for the special head-of-household rates. For example, in order for a taxpayer who supports a parent to qualify as a head of household, the parent must be a dependent—as defined by tax law—and must live in a home that the taxpayer maintains for him or her. It is not necessary for the parent and taxpayer to live in the same house. However, maintaining a parent in a home for

the aged is not maintaining a household for the parent.

It is certainly justifiable for a taxpayer to be allowed a head-of-household status if a parent, for example, is living under the same roof as the taxpayer. However, to deny this status for a taxpayer who must spend, in most cases, substantially more to maintain a parent in a home for the aged or in a nursing home is grossly unfair. These institutions are very expensive and are usually a heavy financial drain on the person making payments to the institution.

I cite this example—which incidentally appears in the Internal Revenue Service's publication, "Your Federal Income Tax"—to illustrate the irrational treatment that often results from certain arbitrary requirements of the head-of-household provision.

Thus, one purpose of S. 35 is to provide remedial legislation which will remove hardships and inequities that result from the complicated and arbitrary rules set forth for qualifying as a head of household. The broader purpose of the bill, however, is to extend the benefits of the head-of-household provision to individuals who do in fact maintain a household even though they do not maintain a dependent.

Under present law if a widow or a widower does not support another qualifying dependent, such as a child, that surviving spouse is taxed as a single person. In many instances the surviving spouse maintains essentially the same household as he or she did when the deceased spouse was living. Household expenses continue at pretty much the same level. In any event, living costs certainly do not diminish in the same magnitude as the tax liability increases as a result of losing the benefit of the split-income provision. In fact, in many cases, especially for a widower, costs increase. He must pay hired help to perform many of the domestic tasks that were previously taken care of by his wife. In the case of a widow, income usually declines drastically.

Similarly, individuals who are legally separated face economic setbacks after their divorce or separation. It means maintaining two separate households instead of sharing only one. Thus, although total expenses are usually increased, income remains the same. Yet each of them is treated as a single person for tax purposes. S. 35 provides that individuals at least 35 years of age and legally separated under a decree of divorce or separate maintenance for more than 2 years would be entitled to the head-of-household rates.

The remaining group of individuals covered by S. 35 are individuals who are 35 and have never been married. Most individuals by the time they have reached 35 years of age and have never been married maintain a household for themselves. Some do this out of necessity, because their parents might be deceased or live in a different geographic area. Others have established a pattern of life which closely parallels the living conditions of other individuals who qualify under either the head-of-household or the split-income provision of present law. They will usually have an apartment, or perhaps a house, furniture, and furnishings just as a married couple or a head of household who supports a qualifying dependent usually has. Thus, the expenses of these unmarried individuals are largely the same as for others who are entitled to take advantage of the lower rates applicable to a joint return or to the head of household. In the interest of equity, these individuals should likewise be entitled to at least the head-of-household tax rates.

Recent data show that there are about 22 million unmarried persons in the United States who are 35 years of age or over. This includes single individuals who have never been married, surviving spouses, and individuals divorced and separated. Nearly three-fourths, or 16 million, of these are women. S. 35 would extend the head of household to certain unmarried individuals who do not currently qualify for the head-of-household provision—or for the joint return which is applicable to some surviving spouses under limited circumstances. The bill will give necessary relief to those who are now inequitably taxed at rates applicable to single persons. It will also add strength to our tax system, since it will be an important step in providing a more equitable tax structure. I earnestly hope that other Members of the Senate, who have not already done so, will support the proposal embodied in S. 35 and that this Congress will enact it into law.

## HOW TO ORGANIZE A DURABLE PEACE—THE GREAT CENTRAL QUESTION OF OUR DAY

Mr. FULBRIGHT. Mr. President, the New York Times of April 19 contains a perceptive and profound article entitled "The Great Central Question," written by James Reston.

In this brief, penetrating article Mr. Reston has concisely presented the essential difference in judgment between the view of the administration and my view. He asks precisely the right questions.

In a few words, I believe that the actions of the administration in Vietnam are obstructing and preventing the achievement of the announced objective of the Secretary of State; that is, the organizing of a durable world peace.

As Mr. Reston correctly states, this involves a difference in judgment as applied to the circumstances of the war in Vietnam. I recommend a reading of the article to all Senators.

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:

### THE GREAT CENTRAL QUESTION

(By James Reston)

WASHINGTON, April 18—In his private conversation and increasingly in his public statements, Secretary of State Rusk has recently been complaining that the world is losing sight of what he calls "the great central question of our day."

This is the question of how to organize a durable peace, how to establish rational rules of conduct for the peaceful settlement of disputes between nations and, specifically, how to abolish war as a means of achieving political objectives.

#### IS HE RIGHT?

Mr. Rusk sees the formation of the United Nations, the creation of the inter-American, European, Southeast Asian, and Middle Eastern security pacts, the negotiation of the defense treaties with Japan, the Philippines, Australia and New Zealand as interconnected parts of a worldwide security system which will eventually bring order into international relations, if maintained, and leave the world in chaos if repudiated.

This is his central theme. This is his main defense of the Vietnam war. He thinks the system rests on the punishment of aggression, on the fulfillment of American commitments to oppose aggressors, with allies if possible, without them if necessary. His sincerity about this is plain, but what about his judgment?

#### HONEST DIFFERENCES

Is the Vietnam war really helping to "organize a durable world peace," or is it weakening the very peace structure Mr. Rusk hopes to sustain and develop? This is the question that is dividing the Secretary of State from his Vietnam critics. The problem is not that everybody except the Johnson Administration has forgotten "the great central question of our day," but that honest men differ fundamentally about whether Vietnam is promoting peace and order or war and disorder.

Is the war strengthening or weakening the United Nations? Is it fortifying or fracturing U.S.-Soviet relations, on which any durable world order so largely depends? Is it increasing or weakening Vietnam's capacity to block the expansion of China, which is a main objective of our policy? Is it strengthening or weakening the organization of peace in the NATO or any other alliance? Is it widening the split between Moscow and Peking or bringing them closer together?

Finally, what happens to the organization of a durable peace if Vietnam leads to a war with China as in Korea? Secretary Rusk is quite right in fearing that people will get so deeply involved in the day-to-day tactics and arguments of the war that they may forget the larger dangers. One of these is undoubtedly the danger of successful Communist aggression, but another is the danger of opposing the aggression so violently that it will bring China into the war.

The situation at the moment is that the United States is increasingly backing South Vietnam, and the Soviet Union and China are increasingly backing North Vietnam—even overcoming other differences to ship arms via China—and the prestige of the great powers is getting more and more deeply involved in avoiding defeat.

This is not a situation that can be dismissed by blaming the Vietnam critics for short-sightedness, or trying to silence them by charging them with prolonging the war and increasing the deaths. The argument between Mr. Rusk and his opponents is bitter precisely because there are at least two contradictory sides to the question, both fiercely defended.

#### THE CONFLICTING JUDGMENTS

The Administration's policy of opposing the threat or use of force in Germany, Cuba, the Congo, Korea and Vietnam has undoubtedly maintained some kind of balance in these places and at the same time probably discouraged other aggressions by Sukarno in Indonesia, Nasser in Egypt and other adventurers elsewhere.

In this sense, it has helped "organize a durable peace." But pushed too far in Vietnam, it could easily destroy what it hopes to create. This is the point of Mr. Rusk's critics. They share his yearning for a world order, but are afraid he will lose it rather than gain it in Vietnam.

## THE FARMER'S TIGHTENING ECONOMIC SQUEEZE

Mr. TALMADGE. Mr. President, there is a great lack of understanding, particularly among the nonagricultural segment of our society, about farmers' income and the amount he actually receives from the product he produces and markets.

The truth is, the American farmer, with rising production costs, labor problems, and competition from foreign imports, is in the midst of a very difficult situation. As Sylvia Porter so accurately pointed out in one of her recent columns:

The American farmer is again in a tightening economic squeeze.

The long and short of the situation is this: the American farmer still is not receiving his fair share of the national income as he should be, and the public should understand this.

Miss Porter's column, which was published in the Atlanta Journal of April 17, 1967, graphically demonstrates this situation by enumerating what the farmer actually gets out of each dollar spent for food products. 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:

U.S. FARMER AGAIN IN MONEY SQUEEZE

(By Sylvia Porter)

Democratic Sen. George McGovern of South Dakota has seriously proposed a new food labeling system under which each package of food we buy would bear a label stating how much of the price is going to the U.S. farmer.

Agriculture Secretary Orville Freeman has called for new restrictions on imports of dairy products, at a time when quotas could have explosive political-economic implications.

Infuriated U.S. dairy farmers have tried milk-dumping campaigns in an attempt to drive up the prices they receive for milk.

These three news items dramatize the fact that the American farmer again is in a tightening economic squeeze—for although he made unmistakable strides in catching up to the non-farm worker last year, the leveling off of food prices plus continually skyrocketing costs of operation are hitting him hard in 1967.

Just since 1959 farm machinery prices have risen a full 24 per cent and labor costs are up 35 per cent. Feed grain prices also have been in a sharp upswing.

In addition, he's fighting severe farm labor shortages, intense local competition and growing competition from food imports from abroad. Last year alone, dairy imports jumped 300 per cent.

Despite all the progress the farmer has made during this decade, consider these facts:

Even with last year's overall 15 per cent income boost, the farmer still nets only a per capita average of $1,731 in yearly earnings, a full 60 per cent below average earnings of the non-farmer.

Even though retail food prices last year rose to 35 per cent above the 1947–49 average, prices paid to farmers for the food we bought actually were 2 per cent below those paid in 1947–49. Today, the farmer receives only 5½ per cent of the U.S. consumer's total after-tax income for his products—one-half the share he received in 1947.

Even though our spending for farm-originated foods has soared $40 billion since 1947–49, less than one-fourth of this increase has gone to the farmer. For every food dollar you spend today, the farmer gets only 40c—10c less than he received two decades ago.

Even though a significant number of big U.S. farmers are making record profits today, a far more significant number are being pushed over the brink of poverty. Just in the past eight years, the number of U.S. dairy farms has dwindled from 770,000 to 500,000. More than 95 per cent of farms in this country today are family farms and among these, poverty is still a tragically pervasive fact of life.

Here's what the farmer gets for each dollar you spend for food:

*Farmer's share of $1 spent*

| Item: | Cents |
|---|---|
| Canned beets | 6 |
| Corn flakes | 9 |
| Canned peaches | 16 |
| White bread | 17 |
| Spinach | 22 |
| Oranges | 24 |
| Potatoes | 30 |
| Apples | 35 |
| Fresh milk | 49 |
| Beef, choice | 59 |
| Eggs, Grade A large | 65 |

This table explains the background for the farmer's demands more than a treatise could. With his price pressures on top of the generally rising costs of food production, processing, packaging, there's only one direction for the price of your food market-basket in the months ahead: UP.

## BATTLESHIPS FOR VIETNAM

Mr. HANSEN. Mr. President, I was pleased to note in last night's Washington Star the headline that "U.S. Ponders Reactivation of Battleship." The article which followed quoted Adm. Ulysses S. G. Sharp, commander in chief, Pacific Fleet, as saying in a news conference that a battleship would be "very useful" because of its many advantages over other lesser Navy ships with smaller guns.

Several Senators have advocated the recommissioning of the largest of our Navy ships for destruction and interdiction missions off the coasts of North and South Vietnam.

I made such a recommendation in a speech April 12 in which I said that the big ships with their long-range, heavy armor and all-weather staying power could save American lives on the ground, in the air, and on the seas.

I reiterate, as I stated on the Senate floor, that we have lost enough planes and aircrews already in strikes against targets that could have been hit by battleships, to have more than compensated for the recommissioning and employment in southeast Asia of not one, but three of these "Sunday punchers."

The Star article quotes "Navy sources" as saying that a decision on the battleships "probably will be reached by the Navy within a relatively short time."

I also ventured the opinion that the psychological effect of a policy decision to use such weapons would have a powerful impact in Hanoi.

As the Star article phrased it:

The decision to spend the amount needed to get a battleship ready for service could . . . also be a signal to Hanoi that the United States was settling down for a long war and that Communist hopes that the United States would lose its desire to fight were groundless.

With this I thoroughly agree and I ask that the article to which I have referred be printed in the RECORD.

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

UNITED STATES PONDERS REACTIVATION OF BATTLESHIP

The Navy may reactivate at least one World War II battleship for bombardment of North Vietnamese shore targets.

Adm. Ulysses S. G. Sharp, commander-in-chief, Pacific, told a news conference yesterday that a battleship would be "very useful" because of the accurate fire from its big guns and because it would be less vulnerable to enemy fire than cruisers and destroyers.

He declined to say whether he had recommended reactivation of a battleship.

But it was learned from other Navy sources that high-level officials are impressed with the arguments in favor of taking a battleship out of mothballs. A decision probably will be reached by the Navy within a relatively short time.

STILL UP TO M'NAMARA

If the Navy recommends such a move, it would still be up to Defense Secretary Robert S. McNamara to decide whether or not to go ahead.

The Navy now has four battleships in mothballs—the Iowa, the New Jersey and the Wisconsin at Philadelphia and the Missouri at Bremerton, Wash.

Getting a battleship out of mothballs and into combat would be an expensive and time-consuming procedure.

The Pentagon estimates that "de-mothballing" and modernizing of one of the big ships would cost from $11 million to $20 million. And there would be additional costs to supply the ship and train a crew.

Sharp estimated that it would take at least six to eight months to get one of the ships into combat. Other estimates have ranged up to twice that long.

Once a battleship had been returned to active service, operating it would cost from $12 to $16 million a year.

COULD BE INDICATION

A decision to reactivate a battleship could be taken as an indication that U.S. officials are convinced the war in Vietnam is going to go on for many months, perhaps years.

However the decision to spend the amount needed to get a battleship ready for service could, according to Navy sources, also be used as signal to Hanoi that the United States was settling down for a long war and that Communist hopes that the United States would lose its desire to fight were groundless.

## THE OIL SLICK DANGER

Mr. JAVITS. Mr. President, the recent *Torrey Canyon* disaster which resulted in the despoilation of many of Great Britain's southern coastal waterfront areas by thousands of tons of crude oil points up the need to examine just what action might be taken by our own authorities if a similar situation should arise off the shores of Cape Cod or of Long Island or some other U.S. coastline. I think that it is essential not only to protect our shoreline, but to assure the many businesses dependent upon shoreline recreational facilities that our Government is taking steps to prevent such occurrences, or at the very least, that it is prepared to act quickly in case of such an emergency. Frankly, I do not now know whether we need to make changes in our shipping routes—as has been done in Great Britain—or whether we need

to step up our scientific research in the dissolution of oil slick. I feel strongly, however, that we must determine now who is responsible for making decisions in such emergencies—quick decisions that cut through intergovernmental red-tape.

I am determined that we set this responsibility and find the answers to these questions now and that Congress be told what legislation may be necessary to prepare us to act swiftly if our shoreline is threatened by oil slick.

In letters to Transportation Secretary Boyd, Interior Secretary Udall, and Maritime Administrator Gulick, I have asked for a report on present procedures, and for any suggestions they might have to prevent such occurrences in the future.

## INVESTMENT TAX CREDIT

The Senate resumed the consideration of the bill (H.R. 6950) to restore the investment credit and the allowance of accelerated depreciation in the case of certain real property.

The Senator from South Dakota [Mr. McGOVERN] obtained the floor.

Mr. LONG of Louisiana. Mr. President——

The PRESIDING OFFICER. Will the Senator from South Dakota yield?

Mr. McGOVERN. I yield.

Mr. LONG of Louisiana. I had intended to ask for a live quorum, but in view of the fact that the roll has been called and all Senators are alerted to the fact that the amendments are proposed, I shall not ask for a live quorum.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors to the pending amendment: The Senator from New Mexico [Mr. MONTOYA], the Senator from Texas [Mr. TOWER], the Senator from Idaho [Mr. JORDAN], the junior Senator from Colorado [Mr. DOMINICK], the senior Senator from Colorado [Mr. ALLOTT], and the Senator from Iowa [Mr. MILLER].

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

Mr. PASTORE. Mr. President, I am beginning to think that we have now reached the point on this 7-percent investment tax credit where all of us are beginning to have a lot of fun, and we are losing sight of the very objective and the importance of this legislation to the business community of the country.

I am not opposed to this amendment, because I know that it will not survive conference. I, too, believe in the philosophy of this amendment, because I believe the time is fast coming when the President of the United States and this administration will have to recognize the fact that certain industries in this country are being disrupted because of the voluminous imports. This situation is not only true of the cattle industry. I have nothing against the cattle industry. But what can be said about cows and sheep and bulls can be said about textiles as well.

For a long time we have been trying to do something about the astronomical increase of imports. As a matter of fact, insofar as the woolen industry in America is concerned, the imports have now reached a point of 22 to 25 percent of the entire American consumption. The result has been that we are beginning to liquidate the textile industry in this country. And I have no doubt whatsoever that the cattlemen have their problems as well.

I should like the RECORD to show that I was on the floor when this matter came up, because this will be a voice vote, and every Senator on the floor, with the possible exception of the Senator from Delaware [Mr. WILLIAMS] is interested in cattle. For that reason, this amendment could be agreed to by a voice vote. I know it will not go further than the conference, and all of us are beginning to have a lot of fun.

This bill has been on the floor for more than 22 days. The business community of this country is looking at the Senate, and we are beginning to act like a lot of schoolboys. The business community would like to know, yes or no, "Are you going to do anything about the 7 percent investment tax credit?" Nothing is happening.

I say this with all due deference to the leadership: A long, long time ago, the leadership in the Senate should have admonished the Members of the Senate that it would not entertain any extraneous matters in this bill, that it would vote to lay them on the table and ask for the cooperation of the Senate, and I believe that cooperation would have been forthcoming.

But we have allowed this matter to drift and drift, and here we are. Now we are without sail and without rudder, and the Senate is going to act on this amendment this afternoon; and I believe that any Senator who submits an amendment of any kind can get it passed. This is a distressing situation.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. LONG of Louisiana. May I say to my distinguished friend, the Senator from Rhode Island, that I stood at the majority leader's chair all the time we voted on the Gore-Williams amendment, and I said that amendment had nothing whatever to do with the bill. Part of that amendment related to the corrupt practices law, over which my committee has no jurisdiction, and the other parts of it had to do with financing presidential campaigns, which is not relevant at all to the investment credit restoration bill.

I concluded that if they were going to put this amendment on, then, so far as I was concerned, Senator GORE and Senator WILLIAMS are not the only Senators who have a right to offer completely irrelevant and extraneous amendments. So far as I am concerned, every Senator has the same right as any other Senator.

Mr. PASTORE. And I am not challenging that right. I am not challenging that right for one minute. However, had the leadership taken the position from the beginning that it would move to lay on the table—naturally, if a Senator introduces any amendment that is tantamount to the Ten Commandments, who will vote against it?

But if you are going to make the point that it does not belong in this bill, that it is untimely, the leadership should have admonished the Senate a long time ago that it would move to lay on the table, any such amendment then perhaps the Gore amendment would have been laid on the table, and everybody would have been treated alike. I am not getting into the merits of the Gore amendment.

The other day, a Senator brought up the question of lowering the social security age. Who would vote against that proposal? The Senate has not yet forgotten that in order to be a Senator, first you must be elected.

We are now in the 23d day of this bill, and we are no better off than we were at the beginning. By the time this matter gets to conference, the whole bill will look like a colossal sieve.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PASTORE. I wish to make another statement, and then I shall yield.

## OIL SPILLAGE AT SEA

Mr. PASTORE. Mr. President, later today, Senator WARREN MAGNUSON and I intend to introduce two bills which we have worked on together and which I consider of vital importance.

The Oil Disaster Tanker Act of 1967 is the first of the two, and the second bill would provide authority to the Coast Guard to conduct extensive research into methods for eliminating major oil spillage in the ocean before it destroys our coastline and beaches.

For years now, people in my State who live along the coast and who depend upon the tourist trade for their livelihood have lived in fear of oil contamination. The crisis of the SS *Torrey Canyon* has dramatically demonstrated to these constituents in Newport and Middletown, Little Compton, Narragansett, and South County, and to me the need for these two bills.

Last month the *Torrey Canyon*, a vessel nearly 1,000 feet in length and carrying over a million gallons of oil, ran aground and broke apart off the coast of Cornwall in the United Kingdom.

A blanket of black oil from the *Torrey Canyon* soon covered those beautiful beaches of Cornwall. Bunker oil carried in by the tide decimated wild and sea life and destroyed the tourist industry, at least for this season. Financial loss from this one act of negligence—this one grounding—will be measured in the millions of dollars.

The *Torrey Canyon* incident is more than a foreign tragedy to Rhode Islanders. We are subject daily to the possibility of disasters of even greater magnitude. Jumbo oil tankers, some twice the size and capacity of the *Torrey Canyon*, ply the shipping routes off our coast at this very hour.

In this morning's Washington Post, on the front page, we read of the effects of the oil slick from a sunken tanker off the coast of Cape Cod. Beaches and wild fowl are in terrible danger if the pollution remains unabated.

One incident makes the *Torrey Canyon* disaster very real to us. At 12 noon on September 1, 1960, the *P. W. Thirtle*, an oil tanker, while steaming up the east

passage of Narragansett Bay with a cargo of 336,000 gallons of bunker oil, went aground off Fort Wetherill in Jamestown and exploded like a bomb. A black mat of oil spread over the entire waterfront in Newport, staining our beautiful, white beaches. The shoreline of summer homes—including "Hammersmith Farm," owned by the family of Mrs. Jacqueline Kennedy—and all the beaches and waterfront were covered with black tar. Property damage amounted to millions of dollars.

We in Rhode Island know what the *Torrey Canyon* means to the people of Cornwall. It means the loss of jobs dependent upon the tourist industry—and, in fact, the loss of the industry itself upon which a large segment of our economy depends—until the black mat of oil can be removed.

This is why we are interested in these two bills. Under present law, a shipowner who pollutes our beaches with oil is criminally responsible only if the act was grossly negligent. Provisions of the Oil Disaster Tanker Act will eliminate this gross negligence requirement and hold the shipowner responsible for ordinary negligence. The test will be ordinary negligence as far as the criminal law is concerned.

On the civil side, the shipowner will be held strictly liable for damage caused by pollution. This is only fair and equitable. Shipowners must be held strictly accountable for the disasters caused by oil spoilage from their ships.

Meanwhile, there is a pressing need for research to develop new techniques for disposing of the oil once the spillage occurs. Our present methods are inadequate. I am a cosponsor of both bills which Senator MAGNUSON will introduce today, and I intend to work hard for their passage.

Mr. President, I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I believe that there is something psychic about the statement that the Senator has made. Within the last 5 minutes, before the Senator made his speech, I made a similar speech. I appreciate very much the intelligence about these bills.

With leave of the Senator, I wish to request of the Senator from Washington [Mr. MAGNUSON] that I, too, may be added as a cosponsor.

Mr. PASTORE. I thank my good friend from New York. I was not in the Chamber to hear his speech. I hope it was as good as mine.

Mr. JAVITS. That is an admission against interest, as we lawyers say.

## INVESTMENT TAX CREDIT

The Senate resumed the consideration of the bill (H.R. 6950) to restore the investment credit and the allowance of accelerated depreciation in the case of certain real property.

Mr. JAVITS. I was very interested in the Senator's remarks in connection with the meat amendment. I have read it. I came upstairs because I heard it was pending. I do not intend to let it go by.

I wish to ask the Senator this question. Is it not a fact that the situation with respect to these additions, making this a "Christmas tree" bill, is not the fault of the sponsors, but it is our fault? We could vote down every amendment. We could table every amendment. We do not have to do what we do not wish to do.

I wish to point out, in connection with this "Christmas tree" bill—I do not know how the Senator voted, but is is immaterial—and specifically in connection with the tax credit to parents with children in college, 20-odd Senators voted against it. That measure is extremely popular. I have received an enormous amount of mail on it, and I may vote for it.

The Senator, as well as other Senators, has voted against other amendments. The minority leader, the majority leader, or any of us could move to table amendments. Why are we so helpless to deal with the situation which confronts us in connection with this bill? Two-thirds of Senators can enforce cloture. There is no question about the fact that the bill has been debated to death.

I am willing to sign a petition today to have cloture invoked in connection with the bill, and we could have cloture in 2 days. Why are we so powerless?

Mr. PASTORE. It is not a question of being powerless. It is a matter of discretion, it is a matter of tact, it is a matter of practicality, and it is a matter of commonsense and maturity. That is all it amounts to.

I am very surprised that the leadership at some point did not say, "Gentlemen, let's cut out the comedy. This is an important bill. Anyone who raises an extraneous amendment, and I do not care how good it is, I am going to move to lay it on the table." That would be the end of the comedy. I still think that I am right.

Mr. JAVITS. I think that the Senator is correct. I did not rise to challenge the Senator. I rose to back up his argument because I do intend to question this amendment.

Mr. President, I ask unanimous consent that I be recognized in my own right.

Mr. PASTORE. I had told the Senator from Pennsylvania I would yield to him.

Mr. SCOTT. Mr. President, I suggest that the Senator has put his finger on something I have been saying privately for some time, and now I am glad that he has said it publicly. We should use the tabling motion more often.

We have engaged here in a perfectly scandalous waste of time, loading a bill for the purpose of killing it, and generally performing in a way which does not particularly reflect on our ability to legislate.

I suggest if the distinguished Senator from Rhode Island [Mr. PASTORE] presents a tabling motion I shall be glad to support it. If we can get more Senators who are of the same mind we might be able to get some business done in this august and highly deliberative body.

Mr. PASTORE. I am not trying to defy the leadership or to take over the leadership. I have enough to do without adding that responsibility.

Mr. SCOTT. The Senator might help the leadership.

Mr. PASTORE. I suggest that they should cut out the comedy and frivolity, or whatever it might be called. Everybody knows that when this matter gets to conference all of this waste of time will be deleted from the bill. I do not know why we punish ourselves the way we do. We have been here day in and day out, engaged in an exercise in futility. I suggest we cut out the comedy and get down to business.

Mr. SCOTT. The Senator is correct. It is a frivolous waste of time.

Mr. PASTORE. I thank the Senator from Pennsylvania.

Mr. HOLLAND. I hope the Senator will let me pour a little oil on the troubled waters.

Mr. PASTORE. I yield to the Senator from Florida.

## U.S. NAVY SEABEES

Mr. HOLLAND. Mr. President, one of the finest military construction organizations, the U.S. Navy Seabees, came into being early in World War II.

Last month this great group of men marked their 25th anniversary in the jungles of Vietnam. With weapons always at the ready these fine men, 20,000 strong and of which 10,000 are in Vietnam, are working around the clock in temperatures as high as 130 degrees in the baking sun with perspiration streaming down their salt-caked backs, carving out roads and maintaining them, constructing bridges, hospitals, harbors, storage areas, airstrips, and military support structures in the forward areas. They are carrying on a time-honored tradition, "the difficult we do immediately, the impossible takes a little longer."

Mr. President, while much of the work of the Seabees is in the forward fighting areas, eight Seabee teams of the versatile group of men are engaged in civil action in Vietnam's interior, helping the villagers toward a better life today and a future in a land of peace.

Mr. President, I salute this fine organization, the U.S. Navy Seabees, on their 25th anniversary, and I ask unanimous consent to have printed in the RECORD a proclamation by the Governor of Florida, the State I have the honor to represent, in part, proclaiming the month of March 1967, "Seabee Month" in recognition of the 1967 Seabee silver 25th anniversary.

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

A PROCLAMATION BY THE STATE OF FLORIDA,
EXECUTIVE DEPARTMENT, TALLAHASSEE

Whereas, The Civil Engineer Corps, United States was founded by Congressional Act of 2 March 1867 to provide engineering and construction support to the Navy and the Nation, and

Whereas, Early in 1942, at a time when the future security and life of our Republic were in critical danger, the Civil Engineer Corps officers organized the Construction Battalions to provide the Navy with uniformed construction forces, and

Whereas, Throughout the long months of World War II nearly a quarter of a million

Seabees worked night and day to provide roadways, airstrips, ports and shore installations which enabled the armed might of our nation and its allies to prevail over the tremendous force of our enemies, and

Whereas, In the Korean action as well, Seabees were actively engaged in stemming the tide of Communist aggression in that part of the world, and

Whereas, Today, in Vietnam, Seabees build by day and guard their camp perimeters at night, and

Whereas, Today, wherever the interests of our nation require, the knowledge and ability of the Navy's Civil Engineer Corps officers and Seabees are being used for the protection of the American people, and

Whereas, On this the One Hundredth Anniversary of the founding of the Navy's Civil Engineer Corps and the Twenty-Fifth Anniversary of the formation of the Seabees, it is fitting that we pay tribute to the gallantry and accomplishments of the Navy Seabees;

Now, Therefore, I, Claude R. Kirk, Jr., by virtue of the authority vested in me as Governor of the State of Florida, do hereby proclaim the month of March, 1967, as Seabee Month in the State of Florida and call the attention of our citizens to the proud record of the Navy's Civil Engineer Corps and Seabees and extend best wishes of all Floridians for a most happy birthday to all active, reserve, and veteran Seabees.

In witness whereof, I have hereunto set my hand and caused the Great Seal of the State of Florida to be affixed, at Tallahassee, the Capitol, this 28th day of February, A.D., 1967.

CLAUDE R. KIRK, Jr.,
*Governor.*

Attest:

———— ————,
*Secretary of State.*

## INVESTMENT TAX CREDIT

The Senate resumed the consideration of the bill (H.R. 6950) to restore the investment credit and the allowance of accelerated depreciation in the case of certain real property.

Mr. JAVITS. Mr. President, I have read an amendment at the desk which is a tariff amendment. It does not have anything to do with taxes. I do not have the remotest notion with respect to it. I propose that we should find out from the author of the amendment what it would do to the Kennedy round negotiations in Europe.

I do not think it is a frivolous matter for the Senate to pass anything. Even though a measure may be eliminated in conference, a majority has declared itself as favoring a certain proposition. When the measure is brought up again, many Senators will have committed themselves, and they will feel that they must vote the same way in order not to be inconsistent or look ridiculous in connection with whatever a Senator may think will influence his position.

I do not think that we can treat these votes as a joke. Knowing that proposals will be stripped from the bill, those who like a provision will say that they knew it would happen that way and those who do not like an amendment can say it is all good clean fun.

Mr. President, I take every amendment seriously. I have not been able to be present for each vote. This has been a protracted situation and there are many other matters that I must attend to. I have been here for most of these proposals and I have voted yea or nay as I felt deeply convinced was dictated by the situation.

I feel the same way about this situation. I do not know what it would do to the Kennedy round. I do not know what the State Department, the Department of Agriculture, or the President think about it. I am not prepared to stand here and let the measure go by on a voice vote. I want to know something about it before voting on it, or before I permit it to be voted on by voice vote.

I would greatly appreciate it if the Senator from South Dakota [Mr. MCGOVERN] would explain this provision to the Senate. But, in conscience, I would greatly appreciate it if the author of the amendment would perhaps take a minute or two to allow us to hear from him as to how he considers this justified; one; and, two, how he considers it justified at this time and in this bill.

Let me say to my colleagues, before I yield the floor, that I will have to ask for a quorum call for about 3 minutes, as I have a large group waiting—I have kept them waiting for over an hour—I will be back in 3 minutes. If the Senate will indulge me, I should like very much to listen to what the Senator from South Dakota has to say.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. 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, I ask unanimous consent that the Senate proceed to the consideration of executive business to consider nominations on the executive calendar beginning with nominations in the United Nations.

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

## EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

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

## EXECUTIVE REPORT OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

Jonathan Davis, of Massachusetts, to be a member of the Federal Farm Credit Board, Farm Credit Administration.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations will be stated, beginning with the United Nations.

## UNITED NATIONS

The legislative clerk proceeded to read sundry nominations in the United Nations.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

## FEDERAL RAILROAD ADMINISTRATION

The legislative clerk read the nomination of Albert Scheffer Lang, of Minnesota, to be Administrator of the Federal Railroad Administration.

The PRESIDING OFFICER. Without objection the nomination is confirmed.

## INTERSTATE COMMERCE COMMISSION

The legislative clerk read the nomination of George M. Stafford, of Kansas, to be an Interstate Commerce Commissioner for the term of 7 years expiring December 31, 1973.

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

## COMMUNICATIONS SATELLITE CORP.

The legislative clerk read the nomination of William W. Hagerty, of Pennsylvania, to be a member of the board of directors of the Communications Satellite Corp. until the date of the annual meeting of the corporation in 1970.

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

## FEDERAL MARITIME COMMISSION

The legislative clerk read the nomination of James F. Fanseen, of Maryland, to be a Federal Maritime Commissioner for the term expiring June 30, 1971.

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

## NATIONAL TRANSPORTATION SAFETY BOARD

The legislative clerk proceeded to read sundry nominations in the National Transportation Safety Board.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

## DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service, which had been placed on the Secretary's desk.

The PRESIDING OFFICER. Without objection, these nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

## LEGISLATIVE SESSION

On motion by Senator MANSFIELD, the Senate resumed the consideration of legislative business.

## INVESTMENT TAX CREDIT

The Senate resumed the consideration of the bill (H.R. 6950) to restore the investment credit and the allowance of accelerated depreciation in the case of certain real property.

Mr. JAVITS. Mr. President, now, may I ask the distinguished Senator from South Dakota [Mr. McGOVERN] if he would be good enough to enlighten us a little bit about his amendment.

Mr. McGOVERN. Mr. President, let me say to the Senator from New York that I will be happy to summarize the highlights of the presentation which I made earlier today. With the Senator's indulgence, I will not wish to repeat all details, other than to say that the amendment goes to legislation which was carefully considered by the Senate 3 years ago, which had hearings before the Finance Committee, the same committee which now has jurisdiction over the pending bill.

The basic thrust of the amendment is to tighten up some of the provisions on present livestock import quota legislation, in order to do something about the collapse of prices in the livestock industry.

As the Senator knows, there are some 33 States across the country, including the Senator's State, where livestock and livestock products are an important part of the economy. That industry today is in very, very serious condition, brought about in part by the sharp increase in beef imports which have climbed several hundred million pounds in the years since Congress last acted on this problem.

I think the amendment which I have proposed is a moderate and a constructive one. It does not curtail or end imports of livestock and livestock products, but merely puts it at the 5-year average of the period from 1958 through 1962 when the level of imports was more in line with what the economy can absorb.

I must say, with reference to the Senator's inquiry about the impact on the Kennedy round negotiations, which are now in progress that, in all candor, no one can answer that question with certainty. It is my understanding, however, that our negotiators have been trying to make the point at Geneva that we are concerned about our agricultural industry. One of the troublesome points in the negotiations has been to get more favorable consideration for the agricultural industry in this country. My judgment is that action on the part of the Senate today will underscore the points our negotiators have been making at Geneva, that we do have serious agricultural problems in this country which the rest of the world must take into consideration, along with their own problems.

My amendment would help accomplish that purpose and I hope that the Senator from New York will support it.

Mr. JAVITS. May I ask the Senator from South Dakota whether this problem has had any hearings at all during the past 3 years?

Mr. McGOVERN. This particular amendment has not had hearings. It has been discussed on the Senate floor, and there has been some informal discussion about it in committees, but this particular amendment has not had any hearings.

Mr. JAVITS. Has any Government——

Mr. CURTIS. Mr. President, will the Senator from South Dakota yield right there?

Mr. JAVITS. Mr. President, I have the floor. Mr. President, I have the floor, do I not?

The PRESIDING OFFICER. To whom does the Senator from South Dakota yield?

Mr. JAVITS. Mr. President, a parliamentary inquiry—I sought the floor——

The PRESIDING OFFICER. The Senator from South Dakota [Mr. McGOVERN] has the floor.

Mr. JAVITS. I think I still have the floor.

The PRESIDING OFFICER. To whom does the Senator from South Dakota yield?

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. Who has the floor?

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. McGOVERN. Mr. President, I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I should like to ask the Senator whether any Government department has given an opinion upon this measure.

Mr. McGOVERN. No department has, to my knowledge, reported on this amendment.

Mr. JAVITS. May I ask the Senator whether this will reduce, in his judgment, as he presents the matter—and can he tell us by how much—the current rate of imports of the commodities affected?

Mr. McGOVERN. It would reduce the allowable level from a billion pounds to approximately 750 million pounds. In other words, about a one-fourth——

Mr. JAVITS. Reduction.

Mr. McGOVERN. Reduction.

Mr. JAVITS. May I ask the Senator how that would have any effect upon the prices paid by the consumer?

Mr. McGOVERN. I think that it would have a small impact so far as the consumer is concerned. It should result in a better price for the livestock producer. As the Senator knows, the producer of a pound of beef receives less than half the consumer's dollar which is spent for beef. I think it is somewhere around 45 cents out of the dollar, which the Senator and other consumers pay for beef, which would actually go to the farmer; so that if we add a small percentage increase in the price of cattle in this country, there might be—and probably would be—some small increase in the price of retail beef. I will say to the Senator that it is my best judgment it would be a very small increase, and if it ends the losses and threatened bankruptcies in the livestock production business it will be well worth it to the consumers themselves.

Mr. JAVITS. Therefore, may I ask the Senator, finally, whether he does seriously present the amendment and seriously proposes to have it adopted, and whether, if the House should pass it, he seriously proposes to lock it into law? He is serious about it; is he not?

Mr. McGOVERN. Yes, indeed. I hope the conference comittee will accept it. The Senator from Louisiana indicated earlier that he was somewhat skeptical as to how far it will go in conference. It is my personal hope that it will be approved. I know this proposal has substantial House support. I am certainly serious about it. I think the economic problems in the livestock industry are a serious matter. I believe the Senator from New York shares this view. I would not proceed in this way if I did not believe there is a real possibility of writing this amendment into law.

Mr. JAVITS. Does not the Senator feel that if this is a deliberate matter on which we intend to get action, and if it should pass, at least we ought to have a roll call vote on it?

Mr. McGOVERN. I have no objection to that. The Senator from Rhode Island and other Senators took the floor and deplored the amount of time we were using on this measure; but if other Senators want to take more time on it, and have a roll call I am perfectly willing to do that.

Mr. JAVITS. It seems to me this is introducing a new subject about which we have not heard from the Government departments. We are in the Kennedy round of negotiations. I do not know how this amendment would affect the Kennedy round. Should we pass it, it would certainly have an effect on our negotiators who are negotiating on it, because it relates to a very important commodity.

There is nothing in the world to prevent the Senate from acting on it or the Senator from pushing it, but it seems to me that if we are to do that we should do it in a deliberate way. I certainly would like to find out what our State Department thinks of it with respect to the Geneva negotiation. My own State is involved in $3 or $4 or $5 billion worth of exports of all types a year. I am sure the livestock business in my State does not begin to approach the total of general exports from my State. I certainly would want to know the effect of this measure, because I must assume, if I vote for it, that that is it.

I would like to know what effect this measure will have on the general exports and imports of the United States and the ability to conclude the Kennedy round. We have no idea on it. Personally, I would consider it most improvident to vote affirmatively unless I did know. I cannot at all see letting this amendment

slide through without a rollcall, on the assumption that it is just attached to the bill and what difference does it make?

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

Mr. McGOVERN. I yield.

Mr. MILLER. I share the Senator from New York's concern with respect to the outcome of the Kennedy round of negotiations, but I am persuaded that the adoption of the amendment by the Senate would in no way interfere with the Kennedy round of trade negotiations. This relates to quotas and has nothing to do with discriminatory tariffs of any kind, and negotiations with respect to reciprocal tariffs or trade barriers, and especially tariffs and variable import duties that are giving us so much trouble in the Common Market, will continue regardless of what happens on this amendment.

Furthermore, this amendment takes the very same approach that we have been taking during the Kennedy round of negotiations and the other negotiations in GATT, namely, that we have not asked for a percentage increase in the period covered by amendments, and are satisfied that increased consumption will grow as the population increases and that tonnage will increase. So we are not asking for any more here than in the Kennedy round of negotiations. I think it is entirely consistent with the Kennedy round, and that it will strengthen our position in the Kennedy round.

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

Mr. McGOVERN. I yield.

Mr. JAVITS. I have no desire to argue a matter on which I am not prepared to debate the merits. I assume the Senator is, because he proposes it.

I should like to ask the Senator a very frank question as a colleague of the most friendly kind. I think many of us are not prepared at the moment. Sometimes one has to fish or cut bait. May I ask the Senator if he would consider it unfriendly if I moved to table the amendment, having a test on whether the Senate does or does not wish to consider the matter at this particular juncture?

Beyond that point, I could not do anything about it if the Senate wanted to proceed. I have to make up my own mind on voting, but I do not believe the Senate is in a position to controvert or adopt a measure on its merits, as a matter of first impression, which I see in a typewritten amendment, walking into the Chamber, and which may have an effect—because I know how sensitive the foreign trade situation is, especially at this moment—far beyond what we may dream of. We—except the Senator from South Dakota and the Senator from Iowa—do not know what this means. I ask the Senator that question.

Mr. McGOVERN. Let me say that I would not regard a tabling motion as unfriendly, but as unwise. I hope the Senator would not ask for delay, because the livestock industry is in serious condition. If the administration wants to raise questions about the impact of this action on the Kennedy round, there will be time to make its position known.

I would hope the Senator would withhold his tabling motion, and if he wants a straight-up-and-down rollcall on the merits of the amendment, that is fine with me.

Mr. JAVITS. The situation is such that I think a motion to table is the only thing that is appropriate to the occasion, but I do not want to cut off debate. If the Senator wishes to debate it further, I will stay my hand further. It seems to me that, with this approach, we are getting into thick ground and we do not know what may come out of it. This is a tariff measure. We have had many tax amendments considered. I suppose that could be justified on the ground that this is a tax measure. Now we are into tariffs. I do not know what more critical area we could get into.

I am not the policeman of the Senate, but since it is a measure which affects consumers and foreign trade, it has given me cause to raise these questions, because I have a great interest in those two matters. I think an effective way to deal with it would be to move to table and let the Senate decide the question, and see if it wants to stop the charade which the Senator from Rhode Island has called this action, or whether it proposes to take this kind of action.

Mr. McGOVERN. More time has been taken up by those who have been deploring the amount of time taken up than by those who have been urging this amendment. The Senator from South Dakota was ready to have a vote an hour ago. If the Senator wants to offer a motion to table, I have no way to stop him.

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

Mr. McGOVERN. I yield.

Mr. HOLLAND. As the Senator from South Dakota well knows, the Senator from Florida is a member of the Committee on Agriculture and Forestry, which would have primary jurisdiction over most matters affecting the important livestock industry, which is the biggest single agricultural industry in our Nation.

Has this matter been referred to the Committee on Agriculture and Forestry by the livestock industry? I do not recall its having been submitted to the committee. I do not recall its having been discussed in any way by the committee. Does the Senator have any such recollection?

Mr. McGOVERN. The Senator is correct. I do not have to remind the Senator that as an import quota matter, it would go to the Committee on Finance rather than to the Committee on Agriculture, on which the Senator and I both serve.

Mr. HOLLAND. Mr. President, while it is true that the Finance Committee and the Ways and Means Committee would have primary jurisdiction, I remember many matters affecting agricultural products that lie in this general field which have come before our committee.

I must say that though I am personally acquainted with the officers of the National Cattlemen's Association, I have not heard from any of them on this matter. I have heard plenty about the fact that the market is not in good shape. My own State, as the Senator knows, while it is not one of the most important cattle States, is an important cattle-producing State, and it would seem to me that we should know beyond any peradventure what the facts are in this matter, and what the attitude of the producers may be. We should give the packers, also, a chance to be heard, though on a secondary basis; I would put the producers first. We should hear from the consumers.

I hope that the distinguished Senator will not insist upon his amendment. In the first place, I think it would be futile, even if we agree to it. In the next place, the Senator from Florida adopted the policy several weeks ago that he would oppose all of these amendments, because it seemed to him they were simply cluttering up a badly needed bill, in a field that we had acted upon too precipitately last fall—at least that is my opinion—and I have, therefore, been voting nay on a host of amendments where I had some interest in the subject matter, and where had the proposals been presented otherwise, I would probably have voted otherwise.

It seems to me that the Senate makes itself look a little bit ridiculous when a tax bill comes up, because, whether from frustration because it has to originate on the other side, or for what reason I do not know, we always have a large number of amendments coming in here—generally for the reduction of revenue, although that is not the purpose of the amendment of the distinguished Senator from South Dakota.

We have had this amendment, we have had social security amendments, we have had welfare amendments, we have had divers amendments for reducing revenue, we have had the amendment offered by the distinguished Senator from Tennessee, which certainly had very much merit to it. I am not in favor of the plan now on the books. The question was which was the best way to proceed from now on.

But I think we are either wrecking the chance for passage of a good act, or at least encumbering it badly, if we put a group of such amendments on this bill. For that reason I could not, in conformity with the policy I have been following, vote for the amendment, though I have a great deal of sympathy with what the Senator is trying to do.

I should like to see this subject heard, explored, and debated in committee. I should like to see the attitude of the affected people procured, and then see if we can take some action. But for us to act here while considering on the floor another matter, on an amendment which vitally affects the biggest agricultural industry in the Nation, it seems to me, would be unwise. Therefore, I must say I should have to vote against the amendment, though I have much sympathy with the objectives of the Senator from South Dakota.

I thank the Senator for yielding.

Mr. McGOVERN. I know of the Senator's long-time and consistent interest in doing whatever he could to strengthen the livestock industry. I say to the Senator, with reference to his question about the National Cattlemen's Association, that the amendment which I am

offering here now, and which now has the cosponsorship of a good many Senators in States that are deeply interested in the livestock industry, that we did discuss this matter with the legislative committee of the National Cattlemen's Association, who were in the city last week, and the outline of the amendment was worked out in consultation with them.

I agree with the Senator from Florida that this is not the most ideal way to deal with the very serious problem in the livestock industry. But we are up against what I regard as an emergency situation. People in my State and a good many other parts of the country are selling out, which is not only against their interests but, in the long run, it is against the interests of consumers across the country, in all 50 States.

We are dealing with an emergency situation. The matter now before us is one that falls within the purview of the Committee on Finance. Legislation affecting imports is within the jurisdiction of that committee, not Agriculture. We have consulted carefully with representatives of the livestock industry on this proposal. It has their strong support. It has the cosponsorship of a large number of Senators on both sides of the aisle who are knowledgeable in this field, and have given much thought to it over the years. I hope that the motion to table will be defeated, and that the pending amendment will be agreed to.

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

Mr. HOLLAND. Did the Senator from South Dakota submit this amendment to the Committee on Finance when it was considering the bill, and was it considered by the Committee?

Mr. McGOVERN. I discussed it with the chairman of the committee only in the last few days, but the situation in the industry has worsened very sharply in comparatively recent days, as the Senator knows. We did not have a lot of time to consult with all members of the Committee on Finance, but the matter has been discussed with the chairman, and he has agreed to accept the amendment and take it to conference.

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

Mr. McGOVERN. I yield to the Senator from Nebraska.

Mr. HRUSKA. I should like to confirm what the Senator from South Dakota has stated about the National Cattlemen's Association. They did have an executive committee meeting of that association here in Washington during the course of the past week, and there were a number of informal conferences by the officers of the association and their legislative men, their executive secretary, Mr. McMillan, and others, with a number of Senators from the Middle West.

Obviously, in the short time they had, they could not establish contact with all Senators from all the States. But they did approve in general the outline, and in fact quite particularly, quite specifically, the points covered in the Senator's amendment; and they indicated that they would, in due time, formalize their approval of that approach, though not necessarily the procedure which the Senator has undertaken today, because it was not envisioned at that time, I do not believe.

Mr. McGOVERN. That is correct.

Mr. HRUSKA. Nevertheless, I wish to assure the Senator from Florida that there was consultation and a series of conferences, and that it is a piece of legislation which does meet the approval of this very effective Association, the immediate past president of which is one of the constituents of the Senator from Florida.

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

Mr. McGOVERN. I yield to the Senator from Florida.

Mr. HOLLAND. This immediate past president to whom the Senator from Nebraska refers is one of my very dear friends. I have not heard anything from him.

Mr. HRUSKA. The Senator will in due time, I assure him.

Mr. HOLLAND. I have not heard anything from the president of the Florida Association. I have heard no word from any member of the cattle industry.

I think the cattlemen in my State would much prefer to have a matter of this importance to them considered in the regular way. I would like the privilege of calling up some of the people from that industry in my State, to be heard before the Committee on Finance, on a matter of this great importance.

The precipitate method of handling the discussion, with the fact that at one time we had 17 amendments on the desk here, and have considered most of them now, chipping and whittling away at our tax structure, makes me think we have been following a very unwise course, and that the authors of this amendment, whatever its merits may be, are making themselves a party to the great group of Senators who have rushed in with their favorite ideas, to try to tack them on to this tax bill.

I am not criticizing anybody. I am smiling at both of my distinguished friends. But every time we have a tax bill, it looks as though every Senator wishes to express, here on the floor, his regret at the fact that the Senate does not have coequal power in originating such measures, because many a Senator sooner or later comes in here with an amendment that he tries to tack on to a tax bill, and it makes us look sort of bad in the public eye, if the distinguished Senator will permit me to say so.

I remember going away from here one day on a mission for the Senate to Montreal, Canada, with the assurance that there would be no votes that day. Somebody got started on a series of tax-cutting amendments to a pending tax bill, and they had 14 rollcall votes that day before I could get back. That is but an indication of how this thing spreads like wildfire.

We do not all have to offer amendments to a tax bill in order to make it clear that we are active for our people.

The distinguished Senator from South Dakota [Mr. McGOVERN] has been extremely active for his people in the Committee on Agriculture and Forestry. He knows that I know that.

The distinguished Senator from Nebraska [Mr. HRUSKA] has been extremely active in the Judiciary and Appropriations Committees. He happens to serve on the same subcommittee where I serve for agriculture. No man has been more avid in his support of agricultural objectives than he.

We do not have to show our interest by taking an unwise course of action on the floor, and that is what I think we would be doing if we were to tack on an amendment which would affect all consumers in the country except vegetarians.

I do not think that it is good policy to follow that sort of course. It is for that reason that I oppose the amendment. The matter should come up on its own merits later. Undoubtedly it has some merits.

It is for that reason that I shall oppose the amendment, whether it comes up now on its own merits—and undoubtedly it has some merits—or whether it comes up, as suggested by the Senator from New York, on a motion to lay on the table.

I do not think it is wise procedure. I hope that the distinguished Senators, so wise in most things, will not allow their eagerness to serve their cattle people—who are many in the States represented by both of my distinguished friends now on their feet—that they will, as it seems to me at least, violate sound procedure by insisting upon this kind of an amendment being tacked to this bill.

I have said more than I intended to say, but it is my philosophy. After all, I do not think we reflect credit upon ourselves or our States by coming in with this great horde of amendments every time a tax bill is being considered.

I thank the Senator for yielding.

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

Mr. McGOVERN. I yield.

Mr. MANSFIELD. Mr. President, I wonder if we could get this matter to a vote if we could agree on some limitation of time on the amendment.

I intend to vote with the Senator and to join the distinguished Senator from Nebraska [Mr. HRUSKA] in cosponsoring the bill which he will introduce tomorrow afternoon.

Mr. HOLLAND. Mr. President, is the Senator introducing a bill on the subject?

Mr. HRUSKA. I am.

Mr. HOLLAND. I would be delighted to have my name added as a cosponsor. I am interested in that objective. I am not interested in doing it in this way. I do not think this would be a constructive way to do it.

Mr. HRUSKA. The Senator has assigned good reason. I did explain when the amendment was offered earlier that I had a bill highly similar in almost all respects. It is my purpose to introduce it tomorrow afternoon.

If the Senator would be so kind as to join in the colloquy at that time, I would be happy. I would be most happy to have him as a cosponsor.

Mr. McGOVERN. I have also asked to be listed as a cosponsor on the bill of the Senator from Nebraska.

Mr. HOLLAND. That makes it clear that our distinguished friends are not

too confident that the pending amendment, even if it were tacked on the bill, would become a part of the bill that goes to the White House for approval by the President.

Mr. McGOVERN. The bill of the Senator from Nebraska is a good insurance policy.

Mr. HOLLAND. I would be glad to be a coinsurer and to be a cosponsor of the bill.

The Committee on Finance has other tax measures that will be before the Senate. There will be other hearings.

The committee will give us a chance, as cosponsors of such measures, to appear and argue our cases.

That will give me a chance to hear from some of my cattle people and get some of them up here as witnesses.

I think it will help to show that the cattle people all over the country are interested in this subject. I think my Florida people will testify intelligently from the standpoint of a medium-sized cattle State, an area which has a little different problem geographically perhaps from most of the other States.

That is the way I think we should proceed.

I thank the Senator.

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

Mr. McGOVERN. I yield.

Mr. CURTIS. Mr. President, I point out to the distinguished Senator from South Dakota that what he is doing is supported by all the recent hearings and actions of the Committee on Finance.

Approximately 3 years ago, the situation with respect to beef imports was acute, and there were a number of amendments and actions in Congress. My distinguished colleague, Senator HRUSKA, offered an amendment to an agricultural bill that came within two or three votes of being agreed to. As a result of that, hearings were called by the Committee on Finance.

The distinguished majority leader introduced a bill, and the hearings were based on that amendment and another bill, and in the Finance Committee, by a majority vote, they adopted a measure with objectives identical with the measure now sponsored by the distinguished Senator from South Dakota and the objectives of the bill to be introduced by my colleague from Nebraska on tomorrow.

The committee adopted not the bill that was introduced, but a proposal sponsored by the various segments of the cattle industry at that time. By a majority vote, that measure prevailed in the Finance Committee. It was brought to the floor. The Senate supported it.

Unfortunately, it did not prevail in conference, and a less restrictive measure became the law.

We are now discovering that the less restrictive measure is not doing the job. We are again facing a crisis. However, instead of what is proposed here—a further restriction on the importation of meat products—being out of step with the Finance Committee, it is in accord with the majority vote the last time action was taken.

I further call attention to the fact that extensive hearings—lasting, as I recall, approximately 10 days—were held at that time. A voluminous record was made by the Finance Committee.

That record supports the objective of the pending amendment.

I also call attention to the fact that, within the last 30 days, the Finance Committee held a 1-day hearing in connection with trade policy and had before it Mr. Roth, who was the negotiator for the United States. Although this meeting was called to discuss with him general policies, the record will show that the greater portion of the discussion that day related to agriculture and the plight of agriculture. The record of the Finance Committee, made within the last 30 days, will reveal the concern of many people concerning the importation of beef, dairy products, and other agricultural commodities. So, what is being done today is not a revolt against committee action. It is in line with the last committee action taken.

I thank the distinguished Senator for being so gracious as to yield for so long a time.

Within the last 30 days, at least two delegations representing the cattle industry, producers and feeders, have called at my office, very much concerned about this matter, and urged that something be done now.

It has been suggested that the Secretary of Agriculture should move for a 90-day embargo of all meat products on the ground that that would just about make up for the error that was made in estimating the number of cattle on hand, which error adversely affected the agricultural economy.

I believe, since we are not proceeding under a closed rule and since other amendments have been offered and agreed to, that it is very much in order that the Senate take action on this.

I believe the situation is so critical that the committee and the Senate should proceed with the bill that will be offered by my colleague on tomorrow and that we leave no stone unturned until some relief is granted.

Mr. McGOVERN. I appreciate the Senator's clarification. He is a senior member of the Committee on Finance, and is in an excellent position to apprise the Senate of the procedures that the committee has been following with reference to this issue. He and his colleague, the Senator from Nebraska [Mr. HRUSKA], not only are from great livestock-producing States, but also are extremely knowledgeable about this issue. So I think that the Senator's clarification is most helpful to our understanding of the problem.

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

Mr. McGOVERN. I yield.

Mr. McCARTHY. As a member of the Committee on Finance I say this with respect to the bill: We have adopted amendments on the floor which I believe should not have been adopted, because they were not particularly relevant, because in other cases inadequate hearings had been held, and also because in some cases the implications of the amendment, in my judgment, were not fully understood by the Senate when it voted.

However, as to the proposed amendment, there are several things which argue in favor of our adopting it. One is the simplicity of the substance of the amendment. The subject matter is understood in the Senate. It has been the object of hearings by the Committee on Finance in recent years. It is my judgment that even though we postpone action and hold hearings, any bill the Committee on Finance might report would be very close to what is in the amendment offered by the Senator from South Dakota. Because of this it seems to me that we could adopt the amendment today and go to conference.

This amendment would not complicate the conference very much. There is no great pressure for quick action in the conference, especially since the House version of the repeal of the suspension of the investment tax credit has what in effect is a retroactive feature, which carries it back almost to the time when the investment tax credit was first suspended. Thus there is no great pressure for immediate action, if we assume that what comes out of conference will probably be a compromise between what the Committee on Finance reported, with a cutoff date, and the indirect retroactive features which are in the bill passed by the House of Representatives. It means that we would have time—a week or 10 days, if necessary—during which we could work out in conference any particular inadequacy that might show up in the proposed amendment.

Therefore, I believe it would be wholly in order to have the proposed amendment—more deserving than any other we have adopted—added to the investment tax credit bill before it goes to conference.

An additional consideration is that we are dealing with what amounts to an emergency condition in the livestock industry of this country. This is an unusual industry, in that you can maintain prices up to a certain level, but when the supply goes beyond that point, you do not have a gradual drop but rather a sudden drop. At this point the livestock producers, who have to ship their cattle because the cattle have reached a shipping weight, are not given the advantage of a slow and gradual price decline, but suffer from a sudden drop in prices. Cattle cannot be put in cold storage on the farm, nor can they be put on short rations. They must continue to be fed, and they must be kept in prime condition. At a given point they must be sold and if they have to be sold at depressed prices, the livestock producers suffer.

These, then, are three arguments for including the proposed amendment in the bill: one, the simplicity of the amendment—the fact that the Senate understands what is in it; two, the emergency conditions; three, the fact that the conference would not be complicated by this amendment as it will by other amendments which are much more difficult and much more involved, and which are less related to the action we are taking.

Mr. McGOVERN. I appreciate the Senator's contribution, particularly because he now serves as a member of the Committee on Finance, formerly served for a period of years on the Committee on

Agriculture, and has also served for many years as a member of the House Ways and Means Committee, which has jurisdiction over issues of this kind. So I believe that what the Senator from Minnesota has to say carries special weight.

Mr. President, I hope that we can vote at this time.

Mr. JAVITS. Mr. President, I cannot recall whether I have ever made a tabling motion. I do not believe I have, to my best recollection. However, I am about to make one in this matter, because I believe it uniquely lends itself to precisely that treatment, as a matter of procedure. I have no doubt, myself, as to the merits or demerits of the pending amendment. We are now adventuring, with respect to this bill, into a totally new field of tariffs, not even taxes. Whatever connection that may have with this bill, it certainly is at least programmatic.

For those reasons, and without in the least desiring to be unfriendly, and I assure the Senator from South Dakota that if my motion to table is voted down, that is all I can do, and I will do no more——

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

Mr. JAVITS. I yield.

Mr. MANSFIELD. Before the Senator yields to the Senator from Iowa, will he yield to me?

Mr. JAVITS. I yield to the Senator from Montana.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that if the tabling motion does not carry, the vote on the pending McGovern amendment take place within 10 minutes of the tabling vote, the time to be equally divided between the Senator from South Dakota [Mr. McGOVERN] and the Senator from New York [Mr. JAVITS].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MILLER. Mr. President, I hope that my friend, the Senator from New York, will not push his tabling motion. I believe it would be most unfortunate, after sitting through the many amendments which have been offered to this bill, if this would be the one amendment to which my colleague, the Senator from New York, would offer a tabling motion.

This is an emergency situation. I voted against practically all the other amendments that have been offered because they are not emergency-type amendments and they are, of course, quite extraneous to the investment tax credit. But now we have an emergency situation, in which many people will be hurt, not only in the State of New York but also in other States.

It is very well to talk about having hearings and extended deliberations, but I assure Senators that the livestock growers do not need any hearings. They have made their views known for a long time.

I think that this amendment would be supported overwhelmingly by anyone in the livestock business. I see no need to have any further hearings on such a proposal as this. An emergency exists, as the Senator from Minnesota [Mr. McCARTHY] has pointed out. If, indeed, there should be a bug or two in the amendment, that problem can be solved in conference. If any amendment has been offered that might have a chance of standing up in conference, I think it is this amendment.

If the Senator from New York wishes to pick any amendment to which to offer a motion to table, I hope he will not pick one that relates to the emergency situation we are trying to deal with.

Mr. JAVITS. Mr. President, I did not "pick" this amendment. It merely appeals to me as almost a classic case for a tabling motion. As I have said, my recollection is that I have never made a tabling motion before.

I think that what is overlooked is that an emergency has not been proved; only an assertion has been made that there is one. On the other hand, the interests of millions of consumers have not been considered. Eighteen million of them live in the State of which I have the honor to share representation with the distinguished Senator from New York [Mr. KENNEDY], who is now occupying the chair. Those consumers have not been heard from or consulted about the proposal, and I cannot consult with them in the time which is allotted to do so.

In all conscience, and not in an unfriendly degree whatsoever—I have already agreed to a limitation of debate—I move to table the amendment.

Mr. HOLLAND. Mr. President, on that motion, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. KENNEDY of New York in the chair). The question is on agreeing to the motion of the Senator from New York [Mr. JAVITS] to table the amendment of the Senator from South Dakota [Mr. McGOVERN]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL (when his name was called). On this vote, I have a live pair with the junior Senator from Montana [Mr. METCALF]. If I were permitted to vote, I would vote "yea." If he were present and voting, he would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. CLARK (after having voted in the affirmative). On this vote I have a live pair with the senior Senator from Missouri [Mr. SYMINGTON]. If he were present, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withdraw my vote.

Mr. RIBICOFF (after having voted in the affirmative). On this vote I have a live pair with the senior Senator from Oregon [Mr. MORSE]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. LONG of Louisiana. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Maryland [Mr. BREWSTER], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from North Carolina [Mr. JORDAN], the Senator from Ohio [Mr. LAUSCHE], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. METCALF], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Florida [Mr. SMATHERS], the Senator from Missouri [Mr. SYMINGTON], the Senator from Maryland [Mr. TYDINGS], and the Senator from Ohio [Mr. YOUNG] are necessarily absent.

I also announce that the Senator from Alabama [Mr. HILL], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. MORSE], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], the Senator from Maryland [Mr. BREWSTER], the Senator from Virginia [Mr. BYRD], and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

On this vote, the Senator from Oklahoma [Mr. MONRONEY] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Oklahoma would vote "nay" and the Senator from Florida would vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. CARLSON] is absent on official business.

The Senator from Oregon [Mr. HATFIELD], the Senator from California [Mr. MURPHY], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Illinois [Mr. DIRKSEN] is detained on official business.

If present and voting, the Senator from Oregon [Mr. HATFIELD], the Senator from California [Mr. MURPHY], and the Senator from Texas [Mr. TOWER] would each vote "nay."

On this vote, the Senator from Illinois [Mr. DIRKSEN] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Illinois would vote "yea" and the Senator from Kansas would vote "nay."

The result was announced—yeas 16, nays 58, as follows:

[No. 86 Leg.]

YEAS—16

| | | |
|---|---|---|
| Baker | Ellender | Percy |
| Boggs | Griffin | Scott |
| Brooke | Hart | Williams, N.J. |
| Case | Holland | Williams, Del. |
| Cotton | Javits | |
| Dodd | Kennedy, N.Y. | |

NAYS—58

| | | |
|---|---|---|
| Aiken | Harris | Montoya |
| Allott | Hartke | Morton |
| Anderson | Hickenlooper | Moss |
| Bartlett | Hollings | Mundt |
| Bennett | Hruska | Muskie |
| Bible | Inouye | Nelson |
| Burdick | Jackson | Pearson |
| Byrd, W. Va. | Jordan, Idaho | Prouty |
| Cannon | Kennedy, Mass. | Proxmire |
| Cooper | Kuchel | Randolph |
| Curtis | Long, Mo. | Russell |
| Dominick | Long, La. | Smith |
| Eastland | Magnuson | Sparkman |
| Ervin | Mansfield | Spong |
| Fannin | McCarthy | Talmadge |
| Fong | McClellan | Thurmond |
| Fulbright | McGovern | Yarborough |
| Gore | McIntyre | Young, N. Dak. |
| Gruening | Miller | |
| Hansen | Mondale | |

NOT VOTING—26

| | | |
|---|---|---|
| Bayh | Hill | Pell |
| Brewster | Jordan, N.C. | Ribicoff |
| Byrd, Va. | Lausche | Smathers |
| Carlson | McGee | Stennis |
| Church | Metcalf | Symington |
| Clark | Monroney | Tower |
| Dirksen | Morse | Tydings |
| Hatfield | Murphy | Young, Ohio |
| Hayden | Pastore | |

So Mr. JAVITS' motion to lay Mr. McGOVERN's amendment on the table was rejected.

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, 10 minutes' debate on the amendment will now proceed.

Mr. McGOVERN. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from South Dakota yield himself?

Mr. McGOVERN. I want just half a minute to ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. McCLELLAN. Mr. President——

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. McGOVERN. I yield 1 minute to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 1 minute.

## CRISIS IN THE MISSISSIPPI DELTA REGION

Mr. McCLELLAN. Mr. President, on April 12 I placed in the RECORD a letter from the Governor of Arkansas to Secretary of Agriculture, Orville Freeman, and memoranda which had been prepared for the Governor by various department heads, concerning a very critical condition which now exists in the Mississippi Delta region in my State of Arkansas.

As I pointed out in my statement then, the situation has arisen as a direct result of the minimum wage bill which was enacted into law last year. At that time, warning was given that the net effect of the extension of minimum wage to agricultural employees would be a detrimental one. This statement has already proved to be true, and the conditions are apparently even more severe than we had predicted.

Mr. President, the situation was discussed in an article which was published in the Wall Street Journal on April 19. I ask unanimous consent to have this article, and a copy of a letter which I have written to Secretary of Agriculture Freeman, printed in the RECORD.

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

### MINIMUM WAGE CAN MEAN MINIMUM JOBS

(By Jim Hyatt)

DENWOOD PLANTATION, ARK.—Richard Bogen, a 62-year-old Negro farm worker, sits in the plantation store with cap in hand and tears filling his eyes. "Right now I've got just two pennies in my pocket," he says.

He and his family made $1,778.97 last year, chopping and picking cotton and performing odd jobs on this farm in the delta area of eastern Arkansas. But this year, thanks ironically to the new Federal minimum wage aimed at boosting farm workers' income, Mr. Bogen and his family face unemployment along with thousands of others in the delta.

Mr. Bogen is worried that his employer won't be willing to pay him the $1 an hour wage required as of Feb. 1, and he's almost certain that his wife, Annie Mae, 58, and the couple's two children won't be employed any longer.

C. L. Denton Jr., owner of this 4,000-acre farm, says he hopes to keep Mr. Bogen on the payroll, but probably not his family. "He's been here almost all my life," Mr. Denton, 50, says. "I can't turn this poor fellow out just because they passed a law."

For Mr. Bogen, whose second-grade education severely limits his job choice, the future is bleak. He says he can't sleep nights, worrying about the $337.70 he's already borrowed from his employer to buy food and other necessities, much of it from the plantation store. "That's the most money I've ever owed him in my life," he adds.

#### ONE-THIRD OUT OF WORK

Whatever happens to Mr. Bogen, other families on the plantation face certain unemployment. *Mr. Denton estimates that a third of the 25 families living here will have to seek other work.* The income of the remaining families, too, will be sharply cut: *The labor of* many women and children, he maintains, *simply isn't worth $1 an hour.*

The new law may spell the end of sharecropping and tenant farming, already dying practices in the south. Federal officials insist that all farm laborers, including those who agree to share their crop with a landowner or pay rent to him, must earn the minimum $1 an hour.

Officials in the delta, in turn, are worried over the problem of providing food and work for the untrained, jobless workers. Fumes one Arkansas economist: *"Federal Government agencies have known this was coming for months, but right now they don't even know where to start helping these people."*

In a letter to Secretary of Agriculture Orville Freeman, Arkansas Gov. Winthrop Rockefeller has called the situation "urgent." His *state welfare director estimates that at least 1,000 farm families in 12 eastern Arkansas counties will be out of work by the end of the year.* "The food problem is most critical, and requires immediate action," adds a poverty war official.

Some delta farmers think the impact is even wider. *"At least 6,000 or 7,000 Arkansas families will be hurt by the minimum wage,* which covers many farm workers for the first time," says *Harold F. Ohlendorf, president of the Arkansas Farm Bureau Federation.* "In my opinion, thousands of Mississippi families won't have any income at all, except what the Government gives them," adds Boswell Stevens, the Mississippi Farm Bureau president. Other pockets of unemployment are developing in parts of Louisiana and in southeastern Missouri.

Not all farm workers are upset over the minimum wage, naturally. Such farm coverage has been a goal of labor unions for years, and workers in the Rio Grande Valley of Texas have been striking for several months seeking $1.25 an hour for their harvesting efforts.

But in the delta on both sides of the Mississippi River, says B. F. Smith, executive vice president of the Delta Council, an area economic development organization, the minimum wage raises these questions:

"Can you eliminate poverty by eliminating jobs? And can the unskilled be benefited by laws that discourage employers from hiring them?"

The affected workers see the problem in more direct terms. "I ain't hit a lick since November," says Hibbler Adams, 64, who has lived on *Mr. Ohlendorf's 6,000-acre* farm since 1933. And his prospects for a job in nearby Osceola, Ark., are slim indeed: "They wouldn't have me uptown," Mr. Adams admits. "There ain't nothing I could do except rake the grass."

John Porter, 56, a worker on Denwood Plantation, complains that the ruling will keep his five youngsters and wife from working. "They actually earn about as much as I do," he says. "But if they don't work, I won't be able to clothe my kids proper. And they won't learn to do a good day's work."

Dwindling farm labor isn't new. *Here in Mississippi County, Ark., for example, the farm population has dropped from more than 60,000 about 2 years ago to 33,000 today.* Farmers have been turning to fertilizers and more powerful machinery for years. Faber White, 61, a John Deere Co. dealer in Osceola, estimates that the county's implement business volume has increased 33% to 40% in four years: The county has 30 implement dealers now, three times the number 10 years ago.

But the minimum wage, say the farmers, will be the final catalyst to force the thousands of remaining marginal farm families out of work. "We knew five years ago we could mechanize," says Larry Woodard, 29, a Lepanto, Ark., farmer. "But we attempted to keep these people working. We had moral obligations. Now with the minimum wage . . ." And his voice trails off at the prospect of telling workers they're now unemployed.

Mr. Woodard's operation, perhaps, is typical of the trend in mechanization. Last year he used 33 tractors to farm the 6,000 acres he rents. This season he'll use only 12 tractors, all eight-row equipment. His capital investment has doubled in the last two or three years to $400,000, he says. Half of the 37 families on his place won't be working this summer, he adds.

The welfare and unemployment problems that will accompany the transition of the marginal workers off the farm have state and Federal officials worried.

"We're just causing problems with the minimum wage," observes one Louisiana farm expert. "These people will be off the farmer's payroll, but in another way, they'll be put on the taxpayer's payroll, through welfare."

#### EMERGENCY FOOD

*A. J. Moss, the Arkansas state welfare director,* says he's been asking Department of Agriculture officials for months to arrange emergency food supplies for delta workers.

Eight Arkansas Delta counties, he notes, use the food stamp program instead of raw commodity distribution. Workers must purchase some stamps to qualify for additional coupons. Mr. Bogen, for example, pays $42 a month to get stamps worth $60. The stamps are used like cash at participating grocery stores.

But regulations, Mr. Moss says, don't permit the counties to give away food stamps. He wants permission to establish commodity distribution for these stranded workers in food stamp counties, or a new regulation permitting issuance of free food stamps.

An Agriculture Department official, however, says, "We can't see any sense in running the two programs in the same county." And minimum food stamp purchases, he believes, are so low that any family could afford the fee.

Families with extremely low income must pay only $2 a person a month, up to $12, to receive food stamps. "Presumably, a couple of odd jobs could supply that minimum purchase requirement," he adds.

One 44-year-old farm hand on Mr. Woodard's place, with a wife and eight children, pays $12 a month for stamps worth $90. He has to borrow the food stamp money from his boss, and at the moment owes him $481.

*Mississippi witnesses shocked a U.S. Senate subcommittee holding hearings in Jackson April 10 by reporting of "people going around begging" in the delta because they couldn't afford money to purchase food stamps.*

#### AN INVESTIGATION

One of the committee members, Sen. George Murphy of California, said the group should ask President Johnson to "declare an emergency exists in these areas" and to send investigators and emergency aid.

At the subcommittee's request, the Secretary of Agriculture has sent a team "to look into the hunger problem. They're following up on some of the things we saw, and trying to determine whether an emergency situation exists," says a staff member.

In any event, the food shortage is only an immediate consideration. "It represents only a small bite of the whole cake," Mr. Moss observes, for many of the workers are too old for retrainng. And others are able to perform only simple tasks.

State employment experts at this point have no exact information on the numbers or needs for potentially unemployed workers. "Before Feb. 1 there was no way to know how the farmers would react to the minimum wage," says *Fred D. McKinney, administrator of the Arkansas employment security division.*

He has surveyed one delta county, and found that 400 hand laborers wouldn't be employed this year. He is seeking additional funds to conduct a comprehensive survey of the whole region, to pinpoint how many people are involved, and what they require.

"Most of the farmers say the workers can live on the farms for an indefinite period," says Lane Hart, Mississippi employment service director, "so the minimum wage doesn't mean there'll be an immediate exodus to the cities. We're going to try to reach these people where they're now living, and get down to what the needs are."

Adds a farm labor service official in Dallas: "It seems like there's not much you can do about the old folks. But what about the kids of school age on those farms? Will they stay in school?"

In the meantime, the workers will be out of jobs "and will have to do something beside the things they've been doing," says Mr. Stevens, the Mississippi Farm Bureau president. "I think they'll go on Government relief."

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APRIL 12, 1967.

Hon. ORVILLE L. FREEMAN,
*Secretary of Agriculture, Department of Agriculture, Washington, D.C.*

DEAR MR. SECRETARY: It has recently been called to my attention that a very critical situation has arisen in the Delta Region in my State of Arkansas. This has occurred because of the permanent displacement of approximately 1,000 family heads and as a direct result of the inclusion of certain agricultural workers under the Fair Labor Standards Act.

I understand that you have been contacted by the Governor of the State of Arkansas and that he has submitted to you information with regard to the problem.

I will appreciate your immediate attention to what is fast becoming an economic crisis in the agricultural sections of my State.

With best wishes and kindest regards, I am

Sincerely yours,

JOHN L. MCCLELLAN.

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## INVESTMENT TAX CREDIT

The Senate resumed the consideration of the bill (H.R. 6950) to restore the investment credit and the allowance of accelerated depreciation in the case of certain real property.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York is recognized. How much time does he yield himself?

Mr. JAVITS. Five minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, I think that the Senate has manifested its clear desire to deal substantively with this matter and has indicated its disposition to approve it.

As I said when I raised the matter and made the motion to table, I have no intention to impede the proponents of the amendment in their progress if a majority felt prepared to vote for it.

I did not, because I thought it was too important and had too many ramifications, quite apart from its own merits, to justify Senate action on it now.

I should like to repeat very briefly these points, because Senators may wish to consider them in respect to voting on the substantive question.

The points are briefly, as follows:

First, there have been no hearings on this particular amendment.

Second, there has been no opinion on it by any Government department.

Third, as we all know, it is not particularly relevant to this bill. Therefore, some crisis or emergency must be shown. None has been shown, beyond the assertion that one exists.

Finally, the amendment affects the consumers of the United States. The proponent of the amendment says it may have some impact on prices; namely, that there will be a price increase. He does not consider it would be a material increase, but that is a matter of judgment. I do not know. I doubt if anyone does. It will result in a material reduction in imports, by one-third, and the proponent of the amendment says so.

Finally, a crucial stage in negotiations, the so-called Kennedy round, hinges upon the matter of agricultural duties and import quotas. In my judgment, it seems improvident for the Senate to vote on this matter on this bill with such insufficient information and with no opinion from our negotiators as to what it means, and especially with no crisis having been shown, but which has merely been asserted.

It seems to me most ill advised to sail into this thing at this time, but, obviously, the Senate has put the bit into its teeth at this time.

I wish to say, in closing, that the idea that this is just some pleasantry, that it is just tacking it on to a bill from which all the amendments will be stripped in conference, personally is not very flattering for the Senate of the United States. It is very demeaning. I assume, whenever a Senator votes, he does so with conviction and determination to do everything he can to make law out of an affirmative vote he has cast for a particular measure.

As I obviously am unacquainted with the merits of this measure, I shall be constrained to vote against it. If I had the remotest opportunity to dig deeply into the merits and get the views of officials which are essential on this measure, I might very well vote yea. However, I must vote nay in good conscience, which I shall accordingly do.

Mr. MILLER. Mr. President, will the Senator from South Dakota yield me some time?

Mr. McGOVERN. I yield 2 minutes to the Senator from Iowa.

Mr. MILLER. Mr. President, the Senator from New York suggests that there has been only an assertion that there is an emergency situation here. I invite his attention to yesterday's issue of the Wall Street Journal, in which it states that cattle prices are off 10 percent. The article is entitled "High Costs, Low Income Dash Farmers' Hopes for 1967, Stir Anger."

I ask unanimous consent that the article be placed in the RECORD at this point.

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

RURAL UNREST—HIGH COSTS, LOW INCOME DASH FARMERS' HOPES FOR 1967, STIR ANGER—PROFITS MAY DROP $1 BILLION, SO FARMERS PLAN TO SHUN NEW GEAR, LIMIT ACREAGE—CALLING OFF A TRIP TO EUROPE

(By Peter H. Prugh)

CHICAGO.—The farmers are fuming.

For nearly two years there has been glowing talk of a golden new era for U.S. agriculture as it is called upon to meet the world's insatiable demand for food.

So what's happening?

Farmers' total net income this year may plummet more than $1 billion from last year's near-record $16.3 billion.

Dairy farmers have been dumping milk in efforts to get dairies to raise their buying prices.

Farm groups are urging farmers to hold off purchases of equipment because of price increases by makers of farm implements.

Farmers are rebelling against suggestions by Federal farm planners that they sharply increase their planted acreage in some crops.

"There's an uneasiness and restlessness that I haven't seen in a number of years," says Tony T. Dechant, president of the 250,000-member National Farmers Union.

OUTRUNNING DEMAND

Actually, farmers have themselves to blame for at least part of their current woes. Anticipating the rising demand for food, they increased their production. But, in many instances, they increased it so much that supply is outrunning demand. As a result, they can't maintain high—or what they consider adequate prices. At the same time, their costs keep climbing.

Farmers are especially upset about their current plight because they had been expecting lush times. Max Townsend, a 54-year-old hog raiser near Marion, Ind., had planned to take his wife to Europe for three weeks this year. But he just canceled the trip. "We can't afford it," he says.

Stephen Rice, a Ford dealer in Milford, Ill., a town 80 miles south of Chicago in the midst of the farm country, says that farmers are buying as many cars as they bought a year ago, but they're going for the cheaper models. "They just don't have that sort of money now," he says.

A banker in a small town in central Iowa says more farmers are being forced to seek loans to meet operating expenses this year. Dean H. Quin, president of Citizens State Bank in Milford, says big farmers aren't hurting but "the small operator is having a heck of a scrape."

TROUBLE IN DODGE CITY

Even some farmers with big operations are hurting. Solomon Deines, who has 1,100 acres in wheat south of Dodge City, Kan., says he is in bad shape. "Back in 1951, I bought a new combine and tractor for $4,200 and paid for it easy off my 400 acres," he says. "Now I've got 1,100 acres, and I can't buy anything." He estimates the cost of new equipment comparable to his purchase 16 years ago now is $16,000.

The current average U.S. market price for wheat is about $1.60 a bushel, but farmers can get about $2 with Government subsidies. But they also were getting $2 way back in 1951, farmers note, when costs were lower for farm machinery, labor, land and interest.

Wheat, however, is selling at above a year-ago prices, while prices of many commodities have been declining, sometimes rather sharply. According to mid-March Agriculture Department figures, egg prices are off 17% from a year ago, poultry 18%, cotton 26% and tobacco 8%. Beef cattle prices are off about 10%, and hog prices are off as much as a third.

Mr. Townsend, the hog farmer, says he recently marketed hogs at $18.25 a hundred pounds, off from as high as $28.75 a year ago. At the same time, he says, "all our costs are going up." He says he now is down to the break-even point on hogs.

SELLING THE COWS

"Good hog farmers can barely make it pay, and poor ones are probably losing money," says L. S. Fife, agricultural economist for International Harvester Co.

Until recently, milk prices were as much as 10% above a year ago, but now these prices, too, have started falling. This drop, coupled with rising costs, is causing some farmers to retrench. Alton Rosenkranz, a dairy farmer in the lush country of southeastern Wisconsin, says he has cut his herd to 30 cows from 40 and has to let go his one employe. He says feed prices have risen 25% to 30% in the past year. "This puts me in a bind," he says.

Paul Fowler, a young dairy farmer in northeastern Wisconsin, says: "We're working hard and getting nowhere."

The dairy farmers who have been dumping their milk in the streets rather than sell it at what they consider low prices are members of the militant National Farmers Organization. They are trying to force the processors to lift their buying prices.

At the same time, many other farmers are refusing to go along with the Federal suggestions that they increase their plantings sharply. The department has urged increased plantings because of dwindling surpluses of grain. Total acreage for all crops this year is estimated at 316 million, up 18 million from 1966 but well below early Agriculture Department estimates of a 30-million-acre rise.

All this chafing is arousing the sensitivities of the Johnson Administration. Federal farm planners aren't unaware that 1968 is an election year. In reaction to the recent dairy-farmer protests, Agriculture Secretary Orville Freeman has called for curtailment of imports of dairy products, and there are rumors of impending increases in Government price supports for milk. Yesterday it was announced in Washington that the Administration is sending Mr. Freeman to the Midwest this week to offer reassurances to farmers troubled over declining farm prices.

The Government also has stepped up purchases of meat in an effort to bolster sagging livestock prices. So far, however, this attempt has been futile.

(Though the Agriculture Department sympathizes with the dairy farmers, the Justice Department stepped into the milk strike and filed an antitrust suit against the National Farmers Organization. The Government charged the NFO used violence and threats to coerce nonmember farmers, carriers and processors into joining its campaign to keep milk off the market. Retorts NFO president Oren Lee Staley: "The Johnson Administration has turned its back on the American farmers and left them as the forgotten part of our nation's economy.")

BOYCOTT IS PROPOSED

If farmers are mad about their declining receipts, so are they furious about the rising prices of things they buy. Farm equipment prices have been rising about 5% a year for several years, and farmers are beginning to do more than just complain.

At its March convention, the National Farmers Union called for a "nationwide voluntary moratorium on buying new farm equipment, including new tractors, combines, pick-ups, trucks and automobiles, until there is constructive action to bring substantial improvement in farm income."

So far, the move hasn't had much impact on sales. International Harvester says its farm equipment sales are running at a record high, and a spokesman for Deere & Co., another major equipment maker, says: "We're sure the called-for boycotts haven't done us any good, but we're not aware of any specific impact."

Mr. Dechant of the Farmers Union estimates that the latest round of equipment price increases would add $200 million to farmers' costs this year if they purchased at their usual pace.

DROP IN INCOME PREDICTED

Because of lower prices and higher costs, the Agriculture Department is predicting that U.S. farmers' net income may fall 5% from the $16.3 billion of 1966; some agricultural economists, however, feel the drop may be closer to 10%. This would shrink farmers' earnings more than $1.5 billion.

In efforts to boost prices, the American Farm Bureau has organized marketing units involving a total of more than 10,000 farmers to bargain with processors on contracts for poultry, fruit and vegetables. Various state units of the Farm Bureau have formed other marketing groups. This kind of activity in the past 12 months has expanded greatly, a Farm Bureau spokesman says, and Federal legislation has been introduced to make it illegal for processors to discriminate against farmers who try to bargain collectively for higher prices.

The shock of lower profits for farmers has been made all the worse, observers say, be cause of last year's euphoria about the agricultural situation. The current discontent is partly a natural reaction to "the very bullish sentiment" generated last year by statements of Government officials and others on the world food situation and the demand for U.S. agricultural products, comments Gene Futrell, farm economist at Iowa State University.

Parts of the world are still "crying for food," says Roby L. Sloan, agricultural economist for the Federal Reserve Bank of Chicago. But he notes that some of these areas lack funds to purchase U.S. products. Despite huge deliveries of grain to India, there has been "far too much optimism" about the amount of U.S. grain shipments to be sent through U.S. foreign aid programs, he adds. Good grain crops in other agricultural nations last year and the fact that underdeveloped nations (with a great many farmers of their own) are more interested in agricultural self-help projects than huge U.S. grain shipments also has helped limit demand for U.S. farm products, observers say.

Another factor in the current unrest among U.S. farmers is the worsening plight of the hundreds of thousands of marginal farms. Even if farm prices were doubled, one-half of the nation's farmers still wouldn't have income comparable to the average U.S. nonfarmer, says the Federal Reserve Bank's Mr. Sloan. In a recent speech, Secretary Freeman indicated that an "adequate sized" farm should have more than $10,000 in annual gross sales. By this definition, about one million of the nation's two million commercial farms would be considered substandard.

Mr. McGOVERN. Mr. President, I yield myself such time as I may need.

This legislation, very simply, does deal with a crisis in the American livestock industry. In some 33 of our 50 States, the livestock industry is a major part of farm income in those States.

There is no question at all that our livestock producers are in a serious economic condition at the present time. A recent issue of the Fargo Forum of North Dakota, which came to my attention some time ago, carried ads for 61 farm sales. In most instances, livestock producers were liquidating their herds and selling out because of low prices. I suppose many of them were broke.

I cannot think of any single thing Congress could do which would bring sharper or quicker relief than to do something about the large imports which are depressing prices across the industry.

The amendment, as the Senator from Minnesota [Mr. McCARTHY] said a few minutes ago, is a very simple one. In a nutshell, it would have the effect of rolling back livestock imports, which are now estimated at over 900 million pounds a year.

It is true that if we had all kinds of time to deal with this problem, we might do it with a little different procedure than the one which we are using here this afternoon, but this is an emergency situation. We are dealing with it in an emergency way.

There is nothing complicated about this amendment. The Senator from New York has suggested it might disrupt negotiations in the so-called Kennedy round. Actually, one of the things that our negotiators at Geneva have been trying to get across to the other countries is that we do have a serious agricultural situation in our country to which they must give consideration. This is one way of underscoring to the whole world that we are concerned about it.

So I hope the Senate will give this amendment a resounding affirmative vote.

I yield back the remainder of my time.

Mr. JAVITS. Mr. President, before yielding back the remainder of my time, I merely would like to say——

The PRESIDING OFFICER. The Senator from New York has 1 minute remaining.

Mr. JAVITS. I had 10 minutes, and I have used only 5.

The PRESIDING OFFICER. There were 5 minutes on a side to the amendment. The Senator from New York has 1 minute remaining.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may have 1 extra minute.

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

Mr. JAVITS. I merely wish to answer two points.

The first is the idea that because there has been a diminution in prices or because people whose prices have suffered a diminution are angry, that indicates a crisis. That is not a crisis based on supply or a natural disaster or otherwise or a price break which puts people out of business or jeopardizes their inventories.

Second, as to the assertion that the amendment will not interfere with the Kennedy round, there I can say flatly that it will, if this amendment becomes law, tie the hands of the negotiators by the adoption of the amendment to this bill in the Trade Expansion Act of 1962, coming at this time, at the most sensitive point of negotiations.

I could not think of anything more disastrous. I predict that if we adopt it we will hear about in tomorrow's newspapers from a half dozen sources as to what a disaster this is to the negotiations at Geneva, because the Senate of the United States has indicated a pro-

tectionist point of view; so what is the use of going into a deal when this only promises that, at such a sensitive time as this is, we have not enough sensitivity, ourselves, to know how important this action is. I think we are making a grave mistake.

Mr. President, I have said my piece. I shall vote "nay." Whatever the Senate does or whatever individual Senators do is in their sole discretion.

I yield back the remainder of my time.

Mr. HOLLAND. Mr. President, I ask unanimous consent to have 3 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HOLLAND. I thank the Senate.

Mr. President, I shall join the Senator from New York in voting "nay." If we are the only two voting "nay," I will have the conviction that we shall be right.

We have here a measure affecting the largest agricultural industry in the Nation. The matter has not been heard by committee. We do not have the views of the departments of Government affected, and more than one is affected. We do not have the views of the producers or the consumers of the country, and that includes all our people except vegetarians. We do not have the views of anybody except the ardent desires of the sponsors of the amendment. I suspect this amendment will be put on this "can of worms" that we have before us. If they think this will speed getting done what they want done, I remind them that we have on the books procedures for quotas in which the executive is recognized, procedures for quotas in which the Tariff Commission is recognized, a course of procedures which it is proposed to bypass by the adoption of the amendment. I think the whole procedure is as unwise as it can be.

I join the Senator from New York in opposing the amendment. Very rarely do we march together, but this is one time when we do.

I have not been approached by anybody in the cattle industry. I have offered to be a sponsor of a bill on this subject. I hope to be able to do that. But the matter should be studied and reported upon, and the people affected, who number in the millions in this country, should have a chance to be heard. If we proceed precipitately on a matter of this importance, I think we will be showing a lack of wisdom.

Believing that, Mr. President, I shall vote nay.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from South Dakota [Mr. McGOVERN]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CLARK (when his name was called). On this vote, I have a pair with the Senator from Missouri [Mr. SYMINGTON]. If he were present and voting, he would vote "yea"; if I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. PELL (when his name was called). On this vote, I have a pair with the junior Senator from Montana [Mr. METCALF]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MUSKIE (after having voted in the negative). On this vote, I have a pair with the distinguished senior Senator from Oklahoma [Mr. MONRONEY]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. RIBICOFF (after having voted in the negative). On this vote, I have a pair with the senior Senator from Oregon [Mr. MORSE]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. LONG of Louisiana. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Maryland [Mr. BREWSTER], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from North Carolina [Mr. JORDAN], the Senator from Ohio [Mr. LAUSCHE], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. METCALF], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Florida [Mr. SMATHERS], the Senator from Missouri [Mr. SYMINGTON], the Senator from Maryland [Mr. TYDINGS], and the Senator from Ohio [Mr. YOUNG] are necessarily absent.

I further announce that the Senator from Alabama [Mr. HILL], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. MORSE], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], the Senator from Maryland [Mr. BREWSTER], the Senator from Virginia [Mr. BYRD], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. CARLSON] is absent on official business.

The Senator from Oregon [Mr. HATFIELD], the Senator from California [Mr. MURPHY], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Kansas [Mr. CARLSON], the Senator from Oregon [Mr. HATFIELD], the Senator from California [Mr. MURPHY], and the Senator from Texas [Mr. TOWER] would each vote "yea."

The result was announced—yeas 55, nays 19, as follows:

[No. 87 Leg.]

YEAS—55

| | | |
|---|---|---|
| Aiken | Fannin | Kuchel |
| Allott | Fong | Long, Mo. |
| Baker | Fulbright | Long, La. |
| Bennett | Gore | Magnuson |
| Bible | Gruening | Mansfield |
| Brooke | Hansen | McCarthy |
| Burdick | Harris | McClellan |
| Byrd, W. Va. | Hartke | McGovern |
| Cannon | Hickenlooper | Miller |
| Cooper | Hollings | Mondale |
| Curtis | Hruska | Montoya |
| Dominick | Inouye | Morton |
| Eastland | Jackson | Moss |
| Ervin | Jordan, Idaho | Mundt |
| Nelson | Russell | Thurmond |
| Pearson | Smith | Yarborough |
| Prouty | Sparkman | Young, N. Dak. |
| Proxmire | Spong | |
| Randolph | Talmadge | |

NAYS—19

| | | |
|---|---|---|
| Anderson | Ellender | McIntyre |
| Bartlett | Griffin | Percy |
| Boggs | Hart | Scott |
| Case | Holland | Williams, N.J. |
| Cotton | Javits | Williams, Del. |
| Dirksen | Kennedy, Mass. | |
| Dodd | Kennedy, N.Y. | |

NOT VOTING—26

| | | |
|---|---|---|
| Bayh | Jordan, N.C. | Pell |
| Brewster | Lausche | Ribicoff |
| Byrd, Va. | McGee | Smathers |
| Carlson | Metcalf | Stennis |
| Church | Monroney | Symington |
| Clark | Morse | Tower |
| Hatfield | Murphy | Tydings |
| Hayden | Muskie | Young, Ohio |
| Hill | Pastore | |

So Mr. McGOVERN's amendment was agreed to.

Mr. PROXMIRE. Mr. President, I offer an amendment and ask unanimous consent that reading be dispensed with.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to state the amendment.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with. I shall explain the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

At the appropriate place in the bill insert the following new section:

SEC. —. Section 613 of the Internal Revenue Code of 1954 (relating to percentage depletion) is amended—

(1) by striking out, in subsection (a), "specified in subsection (b)" and inserting in lieu thereof "specified in subsection (b) and (d)";

(2) by striking out paragraph (1) of subsection (b) and inserting in lieu thereof the following:

"(1) Oil and gas wells.—The percentage applicable under subsection (d) (1)."; and

(3) by redesignating subsection (d) as (e), and by inserting after subsection (c) the following new subsection: "(d) OIL AND GAS WELLS.—

"(1) PERCENTAGE DEPLETION RATES.—In the case of oil and gas wells, the percentage referred to in subsection (a) is as follows:

"(A) 27½ PERCENT.—If, for the taxable year, the taxpayer's gross income from the oil and gas well property, when added to (i) the taxpayer's gross income from all other oil and gas well properties, and (ii) the gross income from oil and gas well properties of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, does not exceed $1,000,000.

"(B) 21 PERCENT.—If, for the taxable year, the taxpayer's gross income from the oil and gas well property, when added to (i) the taxpayer's gross income from all other oil and gas well properties, and (ii) the gross income from oil and gas well properties of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $1,000,000 but does not exceed $5,000,000.

"(C) 15 PERCENT.—If, for the taxable year, the taxpayer's gross income from the oil and gas well property, when added to (i) the taxpayer's gross income from all other oil and gas well properties, and (ii) the gross income from oil and gas well properties of any taxpayer which controls the taxpayer

and of all taxpayers controlled by or under common control with the taxpayer, exceeds $5,000,000.

"(2) CONTROL DEFINED.—For purposes of paragraph (1), the term 'control' means—

"(A) with respect to any corporation, the ownership, directly or indirectly, of stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote, or the power (from whatever source derived and by whatever means exercised) to elect a majority of the board of directors, and

"(B) with respect to any taxpayer, the power (from whatever source derived and by whatever means exercised) to select the management or determine the business policies of the taxpayer.

"(3) CONSTRUCTIVE OWNERSHIP OF STOCK.—The provisions of section 318(a) (relating to constructive ownership of stock) shall apply in determining the ownership of stock for purposes of paragraph (2).

"(4) APPLICATION UNDER REGULATIONS.—This subsection shall be applied under regulations prescribed by the Secretary or his delegate."

(b) The amendments made by subsection (a) shall apply only with respect to taxable years beginning after the date of the enactment of this Act.

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

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. Mr. President, would the Senator consider the possibility, in view of the fact that the hour is getting a little late and some Senators wish to leave, of having a time limitation on his amendment?

Mr. PROXMIRE. Yes, indeed. I intend to do so, but I prefer to wait a few minutes until I talk with another Senator on this matter before I give consent to a time limitation.

Mr. MANSFIELD. Could the Senator give the Senate an idea as to how much time he would be willing to limit his amendment to if agreement is reached?

Mr. PROXMIRE. Thirty minutes to a side would be agreeable, but I have to reserve that matter until I discuss it with another Senator.

Mr. MANSFIELD. That is perfectly satisfactory.

Mr. PROXMIRE. Mr. President, my amendment would reduce the existing 27.5-percent depletion allowance, but not for all people who own oil property.

For those who have gross income from oil and gas properties of less than $1 million a year, it would not affect their depletion allowance at all.

For those who gross between $1 million and $5 million, it would reduce their depletion allowance from 27.5 percent to 21 percent.

For those individuals and firms with gross income from oil and gas properties of more than $5 million, it would reduce their depletion allowance from 27.5 to 15 percent. That would not be an elimination of the allowance, but merely a reduction.

This amendment has been before the Senate two or three times in the past years, the last time being, I think, 3 or 4 years ago.

The administration is still talking about introducing a tax surcharge bill during the last half of this year, a surcharge that would increase the income tax by 6 percent on corporations and individuals.



My proposal would eliminate an inequity and would reduce a possible large fiscal deficit. As a matter of fact, this reform could increase the revenue of the Treasury by $450 million, according to the staff of the Joint Committee on Internal Revenue Taxation.

Mr. President, I have been very reluctant to bring up the amendment I am offering today to reduce the depletion allowance moderately for some but not for all operators, because the time did not seem to be right.

But, Mr. President, this bill had become the vehicle for a review of tax inequities. A number of persons have asked me why few if any amendments have been introduced to raise revenues, and furthermore why no one has proposed an amendment to plug the biggest loophole of all—the oil depletion amendment.

It has been said that this oil depletion loophole is so glaring, so unfair, so discriminating, and so loaded with advantage for the special interests that until it is modified, other meaningful tax reform will not be possible.

Mr. President, I think that statement is true. This is the single biggest loophole in our tax structure. It is one that must be eliminated.

Whenever a reform is advanced, the person whose taxes would be increased by the reform points to the oil depletion allowance and says: "After all, why in the world do you want to increase my taxes, even though my loophole may be inequitable and unfair, when that big oil company or operator is able to get away with murder?" And I mean murder, and I can document that statement. The oil depletion allowance is a huge loophole in our tax structure.

Why, Mr. President, in the light of all this have we made such little progress in at least a modest reduction in this gaping giveaway, this immense oil-depletion loophole.

The answer, Mr. President, is twofold, first; and frankly I think most important, the defenders of the oil depletion allowance are not only very powerful in the Government of the United States, but they are also very able. And they are completely sincere in their opposition to any reform in the depletion allowance. No States are more powerfully, effectively, eloquently represented than the oil States in this body: Senators like MIKE MONRONEY and FRED HARRIS, of Oklahoma, RALPH YARBOROUGH and JOHN TOWER, of Texas, JOHN MCCLELLAN and WILLIAM FULBRIGHT, of Arkansas, ALAN ELLENDER and RUSSELL LONG, of Louisiana, THOMAS KUCHEL and GEORGE MURPHY, of California, JAMES PEARSON and FRANK CARLSON, of Kansas, to name only a few.

These are all men who have great force and influence and feel very deeply and sincerely about this matter. They have been most effective in preventing the Senate and the House of Representatives from moving ahead in clearing up this most gaping and serious loophole that we have in our tax laws.

As Vice President HUBERT H. HUMPHREY said a few years ago when he was in this body:

The percentage depletion is the first and most important tax loophole that should be corrected.

I would like at this time to go back and paraphrase his words which appeared in a Public Affairs Institute publication entitled "Tax Loopholes." It reads:

Depletion comes from the word "deplete." When an operator of an oil well sells oil from his well, or the owner of a mine sells coal from his mine, he is depleting or exhausting his capital. Similarly, when a factory owner uses up his equipment in manufacturing his product or a cab driver runs his cab down while driving customers, capital is being used up. In the case of the factory owner or cab driver, the tax laws permit the individual to deduct from his profit an amount which is equivalent to the capital used up during the year in computing his net profit which is subject to income tax. This deduction is called depreciation. The corresponding deduction allowed to the owner of an oil well or a coal mine is called depletion.

If depletion were computed in the same manner as depreciation, there would be nothing wrong. Income tax is a tax on income, not on capital. Consequently, a deduction for capital used up is appropriate. The trouble is that in the case of oil and coal and most other minerals, the deduction is far in excess of the capital used up. As a matter of fact, the deduction has nothing to do with the capital used.

For the factory owner or cab driver, depreciation is computed by dividing the total investment by the number of years the investment is used. If a factory building costs $100,000 and is expected to last 50 years the factory owner is allowed to deduct $2,000 each year for depreciation; after 50 years he has deducted the entire $100,000 investment from his profits.

Not so with the owners of oil wells or of coal mines. For them, the law permits a deduction which is called "percentage depletion." This deduction is a stated percentage of *gross income*, not of the amount invested in the property. For oil, the deduction is 27½ percent; for sulphur, 23 percent; for coal, 10 percent; and for other minerals 15 percent or 5 percent.

Why does this method of computing depletion result in excessive deductions? Take the case of an oil well in which $1,000,000 was invested. Suppose the well produces $5,000,000 of oil for each of 10 years. The owner can deduct 27½ percent each year, or $1,375,000. In the ten years, he deducts a total of $13,750,000 or almost 14 times the amount he actually invested.

The Treasury recently disclosed that the example I have just given from Vice President HUMPHREY'S article is an understatement of the average advantage that depletion allowances provide.

On the average the cost of an oil well is deducted not once or twice, or, as in this example, 13 or 14 times, but 19 times over.

It would be nice if, when one purchases a factory or piece of equipment as a small business man, he could write the amount off 19 times.

This is how the law works, as a practical matter, to help the owner of oil property.

In his 1950 tax message, President Truman said of depletion allowances:

I know of no loophole in the tax laws so inequitable as the excessive depletion exemptions now enjoyed by oil and mining interests.

The President further commented:

I am well aware that these tax privileges are sometimes defended on the ground that

they encourage the production of strategic minerals. It is true that we wish to encourage such production. But the tax bounties distributed under the present law bear only a haphazard relationship to our real need for proper incentives to encourage the exploration, development and conservation of our mineral resources. *A forwardlooking resources program does not require that we give hundreds of millions of dollars annually in tax exemptions to a favored few at the expense of the many.*

The Treasury has made an exhaustive study of percentage depletion and has produced these startling figures.

First. In 1947, oil companies were able to deduct 13 times more through percentage depletion than they would have been allowed to deduct if they had been required to use ordinary depreciation methods.

Second. Twelve millionaires owning oil wells paid an average income tax of only 22½ percent on their incomes in the period 1943–47, just one-half of 1 percent less than the wartime rate on the first $2,000 of taxable income.

Third. One oil operator was able to develop properties yielding $5 million in a single year and he did not pay a cent of income tax in that year.

In total, oil and mining interests benefit to the tune of about three-quarters of a billion dollars from percentage depletion. Eighty-five percent of this huge subsidy goes to the oil companies. No wonder President Truman called this the most glaring loophole in our tax laws. If percentage depletion had been eliminated, the entire tax increase on people earning less than $4,000 a year could have been dropped from the last tax bill.

Percentage depletion was once the prerogative of oil and gas, supposedly an allowance to cope with the hazards of exploration and drilling. Before the war it was extended to coal, sulfur, and the metallic minerals. During the war it was extended to many nonmetallics. In the Revenue Act of 1951, besides raising the depletion rate of several minerals already in the law, many new minerals were added to the list of those benefiting from percentage depletion. If there is any substance found in a natural state which has been omitted from this most recent list, I cannot think of it. If there is one, I cannot conceive of why it should be denied a privilege which is now granted sand, gravel, stone, clay, oyster and clam shells, and salt.

If this trend continues, every element and compound known to the chemical laboratory will be given percentage depletion. In the meantime, the average wage earner, farmer, and businessman will be required to pay taxes which the depletion interests are better able to pay.

I might add, Mr. President, that the amendment I have offered would exempt the wildcatter, would exempt the man who grosses less than a million dollars. He would still have his 27.5-percent depletion allowance. There is no question that he is the only one who really needs it, because the big boy is in a position where he has computers, where he knows, to a gnat's eyelash, precisely how many of his wells will come in dry. He can do it on the basis of long experience and on the basis of the most expert geological advice. He can make these computations, and he can make them accurately. The little man cannot do this, and he is at a serious disadvantage because he cannot.

Obviously, when the farmers, small businessmen, and consumers are bearing their full share of the taxes, it is wrongful for the oil companies, who are the most privileged by our outmoded tax laws, to escape. They should bear their fair share. The tax giveaway enjoyed by the oil companies is tremendous. In the March 21, 1966, edition of the Gasoline Letter appeared an article containing some figures that are most revealing and I ask unanimous consent that the article be printed at this point in the RECORD.

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

TAX FIGURES CONCEAL REAL U.S. INCOME TAXES

If you read the official oil company income tax figures it looks as if Standard Oil Co., (N.J.) is paying more than half a billion dollars a year in Federal income tax.

In reality the total U.S. income tax burden of the 22 top refiners was only $240 million in 1964, the latest year that figures are available in the Securities and Exchange Commission files.

Lumping foreign and U.S. taxes together has led to public statements by oil company foundations and Senators who support the big refiners that the oil companies pay as much tax as anyone else.

Page 29 of Texaco's annual report shows "provision for income taxes" for 1964 as $83.4 million.

But if you check with SEC you learn that $5.5 million went to Uncle Sam and $77.9 million went to foreign governments and some states.

Figures for 1963 and 1964 presented in our tax table on pages three and four, here compiled for the first time as far as we know, show that the 22 refiners paid 4% of their gross income as U.S. income tax while the rate for working people and small businessmen is about 20%.

The table also reveals for the first time that the 22 retained after U.S. and foreign taxes an average 74% of their gross profit. But some campanies retained 100% or more.

The figures reveal that the oil companies paid almost a quarter million to the U.S., but over $1 billion to other governments. While 4% of their gross profit went to the U.S. Treasury, over 20% went to foreign governments and States.

The provisions allowing oil companies to pay so little are the 27.5% depletion allowance, intangible drilling costs provision, and being able to classify certain royalty payments on oil as income tax to a foreign government and thus subtract the royalties from their tax payment due the U.S. after calculating tax due.

Mr. PROXMIRE. Mr. President, I would like to submit for the consideration of my colleagues, another article which reveals more clearly how 1,900 firms beat the Federal tax problem—a problem with which the average American has just been faced and required to resolve:

IRS REVEALS DEPLETION EFFECT—HOW 1,900 FIRMS BEAT FEDERAL TAX PROBLEM

The Internal Revenue Service, with its characteristic lack of humor released last week a detailed study of the depletion allowances and how they lower income taxes.

While many were racing to ready their returns for the Apr. 15 deadline, IRS gave details on the $2.5 billion subsidy Congress enacted allegedly to encourage exploration for minerals.

By far, corporations account for the biggest chunk of the depletion boom, about 90%.

Integrated refining companies accounted for more than $1.6 billion of the depletion claimed, well over half the total.

BIG REFINERS GOT LARGE BITE

But of the $1.6 billion, $435 million was claimed by the 22 oil refining companies for production from foreign properties.

This tax subsidy is aimed at encouraging international corporations to find new sources of oil in the middle east and other areas where it can help the U.S. in time of emergency, while tending to unbalance our international payments.

One of the best features of depletion subsidies is that some firms can do away with paying income tax altogether.

The report shows that 1900 tax returns in 1960 had no taxable income at all.

But depletion only accounted for $880 million while depreciation cut the taxable income another $572 million for these firms.

APPLIED TO $10 BILLION

In the oil and gas industry alone depletion was applied to almost $10 billion in gross income from properties.

Here's the breakdown:

| | |
|---|---|
| Number of returns | 7,183 |
| [In thousands of dollars] | |
| Gross income from mineral properties | 9,433,618 |
| Deductions exclusive of depletion, total | 4,326,810 |
| Exploration | |
| Development | 1,036,845 |
| Dry hole deductions for oil and gas | 140,851 |
| Depreciation | 179,644 |
| Operating expense | 2,603,232 |
| Taxes | 83,475 |
| Overhead and other | 282,763 |
| Net income less loss before depletion | 5,106,808 |
| Percentage depletion at statutory rate | 2,594,114 |
| Allowable depletion, total | 2,530,235 |
| Percentage depletion | 2,251,470 |
| Cost depletion | 278,765 |
| Deductions on nonproducing properties | 1,464,762 |

Curiously some of the depletion benefits were taken by wholesale and retail firms with producing properties.

Marketing firms with depletion, 618 of them, took $26.5 million in depletion on gross income from production of $161.9 million, but these figures include nonoil industry depletion statistics.

The word gets around in financial circles.

GETTING IN ON ACT

While the general public may not be aware of the effects of the depletion allowance, 392 manufacturing firms not in oil refining took advantage of oil and gas depletion in 1960 as did 475 nonpetroleum wholesale and retail firms.

Another 2,500 firms, in insurance, finance, and real estate dipped into the depletion cooky jar in the same year through oil property holdings.

One big distinction made in the report is between cost depletion and percentage or statutory depletion.

Cost depletion refers to the actual amount by which the value of property drops when minerals are removed.

*U.S. income taxes of 22 largest oil refiners (1962, 1963, 1964)* [1]

| Rank in size | Year | Gross profit | Federal tax | Percent | Foreign, some States tax | Percent | Income after tax | Percent of gross |
|---|---|---|---|---|---|---|---|---|
| Standard (New Jersey) | 1962 | $1,271,903,000 | $8,000,000 | 0.6 | $423,000,000 | 33 | $804,903,000 | 66 |
| | 1963 | 1,584,469,000 | 69,000,000 | 4.3 | 496,000,000 | 31 | 1,019,469,000 | 64 |
| | 1964 | 1,628,555,000 | 29,000,000 | 1.7 | 549,000,000 | 33 | 1,050,555,000 | 64 |
| Texaco | 1962 | 546,371,000 | 13,000,000 | 2.3 | 51,700,000 | 9 | 481,671,000 | 88 |
| | 1963 | 615,768,000 | 10,250,000 | 1.6 | 58,850,000 | 12 | 545,668,000 | 88 |
| | 1964 | 660,761,000 | 5,500,000 | .8 | 77,900,000 | 11 | 577,361,000 | 87 |
| Gulf | 1962 | 488,351,000 | 19,389,000 | 3.9 | 128,871,000 | 26 | 340,091,000 | 70 |
| | 1963 | 450,065,000 | 30,870,000 | 5.7 | 137,842,000 | 25 | 371,353,000 | 68 |
| | 1964 | 607,343,000 | 52,443,000 | 8.6 | 159,781,000 | 26 | 395,118,000 | 65 |
| Socony Mobil | 1962 | 379,339,000 | 8,300,000 | 2.1 | 128,700,000 | 33 | 242,339,000 | 63 |
| | 1963 | 437,352,000 | 23,000,000 | 5.2 | 142,500,000 | 32 | 271,852,000 | 62 |
| | 1964 | 464,660,000 | 27,700,000 | 5.9 | 142,800,000 | 30 | 294,160,000 | 63 |
| Standard (California) | 1962 | 348,181,000 | 5,800,000 | 1.6 | 28,600,000 | 8 | 313,781,000 | 90 |
| | 1963 | 356,568,000 | 2,900,000 | .8 | 31,600,000 | 8 | 322,068,000 | 90 |
| | 1964 | 393,188,000 | 8,300,000 | 2.1 | 39,600,000 | 10 | 345,288,000 | 87 |
| Shell | 1962 | 173,555,000 | 7,200,000 | 4.1 | 8,680,000 | 5 | 157,675,000 | 91 |
| | 1963 | 211,575,000 | 19,100,000 | 9.0 | 12,623,000 | 5 | 179,852,000 | 85 |
| | 1964 | 213,575,000 | 2,800,000 | 1.3 | 12,585,000 | 5 | 198,190,000 | 92 |
| Standard (Indiana) | 1962 | 168,843,000 | 3,105,000 | 1.8 | 3,381,000 | 2 | 162,420,000 | 96 |
| | 1963 | 208,022,000 | 22,182,000 | 10.6 | 2,748,000 | 1 | 183,092,000 | 88 |
| | 1964 | 204,817,000 | 8,486,000 | 4.1 | 1,480,000 | .7 | 194,851,000 | 95 |
| Phillips | 1962 | 158,320,000 | 48,000,000 | 30.3 | 3,365,000 | 2 | 106,955,000 | 67 |
| | 1963 | 160,954,000 | 52,000,000 | 26.2 | 3,491,000 | 2 | 105,463,000 | 65 |
| | 1964 | 152,197,000 | 32,229,000 | 22.2 | 4,950,000 | 3 | 115,018,000 | 74 |
| Cities Service | 1962 | 84,143,000 | 20,773,000 | 24.7 | 3,185,000 | 3 | 60,185,000 | 71 |
| | 1963 | 101,976,000 | 20,188,000 | 21.4 | 4,283,000 | 4 | 77,505,000 | 74 |
| | 1964 | 113,405,000 | 27,925,000 | 24.7 | 967,000 | .8 | 84,513,000 | 74 |
| Continental | 1962 | 73,477,000 | 1,065,000 | 1.4 | 3,335,000 | 5 | 69,077,000 | 94 |
| | 1963 | 99,665,000 | 9,143,000 | 9.2 | 3,157,000 | 3 | 87,365,000 | 88 |
| | 1964 | 112,009,000 | 8,725,000 | 7.7 | 3,175,000 | 2 | 100,109,000 | 89 |
| Sun | 1962 | 66,395,000 | [2] 200,000 | 0 | 13,400,000 | 20 | 53,195,000 | 80 |
| | 1963 | 79,976,000 | 1,300,000 | 1.9 | 17,460,000 | 22 | 61,216,000 | 77 |
| | 1964 | 88,577,000 | 2,400,000 | 2.7 | 17,670,000 | 20 | 68,507,000 | 77 |
| Union | 1962 | 59,421,000 | 8,000,000 | 13.5 | 5,500,000 | 9 | 45,921,000 | 77 |
| | 1963 | 73,028,000 | 13,100,000 | 17.7 | 6,000,000 | 8 | 53,928,000 | 74 |
| | 1964 | 87,564,000 | 13,300,000 | 15.2 | 7,200,000 | 8 | 67,064,000 | 77 |
| Standard (Ohio) | 1962 | 37,235,000 | 9,275,000 | 25.0 | 3,738,000 | 10 | 24,222,000 | 65 |
| | 1963 | 54,008,000 | 15,225,000 | 28.1 | 4,896,000 | 9 | 33,887,000 | 62 |
| | 1964 | 70,252,000 | 21,150,000 | 30.2 | 5,334,000 | 7 | 43,768,000 | 62 |
| Sinclair | 1962 | 57,936,000 | 0 | 0 | 10,586,000 | 18 | 47,350,000 | 83 |
| | 1963 | 71,036,000 | 1,200,000 | 0 | 9,532,000 | 13 | 62,704,000 | 88 |
| | 1964 | 66,444,000 | [2] 3,119,000 | 0 | 10,531,000 | 15 | 58,736,000 | 88 |
| Marathon | 1962 | 35,894,000 | [2] 2,200,000 | 0 | 205,000 | .5 | 37,889,000 | 105 |
| | 1963 | 50,058,000 | [3] | 0 | 933,000 | 1.8 | 49,125,000 | 98 |
| | 1964 | 63,220,000 | [3] | 0 | 2,844,000 | 4.4 | 60,376,000 | 95 |
| Atlantic | 1962 | 61,110,000 | 0 | 0 | 14,844,000 | 24 | 46,266,000 | 75 |
| | 1963 | 56,747,000 | 0 | 0 | 12,734,000 | 22 | 44,013,000 | 78 |
| | 1964 | 61,081,000 | 0 | 0 | 14,005,000 | 22 | 47,076,000 | 77 |
| Tidewater | 1962 | 35,191,000 | 228,000 | .6 | 2,387,000 | 6 | 32,576,000 | 93 |
| | 1963 | 42,795,000 | [2] 63,000 | 0 | 3,384,000 | 8 | 39,474,000 | 92 |
| | 1964 | 40,508,000 | 377,000 | 13.7 | 4,426,000 | 11 | 35,705,000 | |
| Ashland | 1962 | 24,324,000 | 6,201,000 | 25.8 | 2,799,000 | 11 | 15,324,000 | 63 |
| | 1963 | 28,769,000 | 10,556,000 | 37.7 | 104,000 | .3 | 18,109,000 | 64 |
| | 1964 | 36,385,000 | 9,672,000 | 26.8 | 2,977,000 | 8 | 23,735,000 | 65 |
| Sunray | 1962 | 41,203,000 | 3,850,000 | 9.3 | 1,152,000 | 2.8 | 36,201,000 | 88 |
| | 1963 | 49,727,000 | 6,533,000 | 13.3 | 1,328,000 | 2.7 | 41,866,000 | 85 |
| | 1964 | 29,357,000 | [2] 7,115,000 | 0 | 1,290,000 | 3.6 | 35,182,000 | 100 |
| Pure | 1962 | 27,680,000 | [2] 2,546,000 | 0 | 1,276,000 | 4 | 28,950,000 | 107 |
| | 1963 | 28,582,000 | [2] 1,212,000 | 0 | 27,000 | .01 | 29,767,000 | 106 |
| | 1964 | 32,282,000 | 600,000 | .01 | 164,000 | .5 | 31,518,000 | 98 |
| Skelly | 1962 | 22,674,000 | 1,260,000 | 5.7 | 250,000 | 1 | 21,164,000 | 96 |
| | 1963 | 27,479,000 | 3,025,000 | 7.7 | 275,000 | 4 | 24,179,000 | 89 |
| | 1964 | 26,601,000 | 785,000 | 1.2 | 275,000 | 2 | 25,551,000 | 98 |
| Richfield | 1962 | 36,615,000 | 6,000,000 | 16.6 | 0 | 0 | 30,615,000 | 83 |
| | 1963 | 29,767,000 | 1,300,000 | 4.4 | 773,000 | 2.6 | 27,894,000 | 94 |
| | 1964 | 26,255,000 | [2] 629,000 | 0 | 5,429,000 | 20.8 | 21,455,000 | 82 |
| Total | 1962 | 4,198,161,000 | 164,500,000 | 4 | 838,891,000 | 20 | 3,194,770,000 | 76 |
| | 1963 | 4,908,386,000 | 246,660,000 | 5 | 950,540,000 | 19 | 3,649,849,000 | 74 |
| | 1964 | 5,179,036,000 | 240,529,000 | 4 | 1,064,383,000 | 20 | 3,873,836,000 | 74 |

[1] Compiled from records of the U.S. Securities and Exchange Commission by the staff of the Gasoline Letter. Warning—this table is part of the Mar. 21, 1966, issue of the Gasoline Letter and may not be reproduced by any means—including office copying equipment—without prior written permission of the publisher. Violation of copyright is a Federal offense carrying penalties from $500 to $2,500.

[2] Cr.

[3] Marathon is the only large oil company that has been able to conceal its domestic income taxes in the Securities and Exchange Commission files. We phoned Girard Jetton, Marathon's tax chief and asked the U.S. figure, but he said it's a secret. Since the firm probably doesn't want to keep secret the smallness of its foreign taxes, it's assumed the U.S. tax is small and all of Marathon's income taxes are listed here as foreign.

This real depletion reflects the declining value of a property related directly to the amount of oil produced.

TAKE HIGHEST FIGURE

But Congress decided to give oil and gas producers a 27.5-percent boon.

No matter what the real depletion is, producers can deduct 27.5 percent of their value of production up to 50 percent of the property's net income before depletion.

Look how it works out when applied to foreign producers and refiners:

[In thousands of dollars]

| | Oil and gas producers | Oil refiners |
|---|---|---|
| Net income | 473,759 | 1,370,331 |
| Income subject to tax | 437,078 | 969,613 |
| Income tax | 225,842 | 495,702 |
| Gross income from mineral properties | 1,321,362 | 5,419,552 |
| Foreign | 805,886 | 1,589,757 |
| Domestic | 515,476 | 3,829,795 |

[In thousands of dollars]

| | Oil and gas producers | Oil refiners |
|---|---|---|
| Depletion, total | 353,158 | 1,424,744 |
| Percentage | 343,577 | 1,351,554 |
| Cost | 9,581 | 73,190 |
| Depletion, foreign | 220,257 | 434,920 |
| Percentage | 215,974 | 416,849 |
| Cost | 4,283 | 18,071 |
| Depletion, domestic | 132,901 | 989,824 |
| Percentage | 127,603 | 934,705 |
| Cost | 5,298 | 55,119 |

Mr. President, although it is some 17 years old, one of the best statements I have ever seen with respect to this subject was made by former Secretary of the Treasury Snyder before the Ways and Means Committee of the House of Representatives on February 3, 1950. It contains some very interesting figures which indicate that three-quarters of the allowances were received by corporations with assets over $100 million.

One of the reasons why the proposed amendment would raise such a large amount of money, although it exempts a large number of small wildcatters, is that the real advantage is for the very big firm, and almost all the big firms, as indicated, gross over $100 million. These are the firms which have the advantage of the depletion allowance. The smaller firms do not have this advantage.

Mr. President, I should like to point out that the oil depletion allowance, while it is the most notorious and the most frequently cited, is far from the only special privilege and special advantage that the oil property owners have.

There are other advantages that many people feel are more important, and we are touching upon those in the proposed amendment. These are some of the tax allowances they have.

The first applies to everybody—operating costs. This is necessary and deserving and should be permitted.

In addition to operating cost deductions, they are permitted to subtract intangible drilling and development costs. These can be written off in the year in which they occur. They are not spread over a period of years, as is the case in other industries.

It has been estimated that between 75 percent and 90 percent of all costs can be written off in 1 year in this manner. We have, therefore, accorded to this industry virtually the ultimate in accelerated depreciation and fast tax writeoffs.

This is very important to realize. We speak of accelerated depreciation writeoff amounts in 5 years or 10 years. Here is a case in which from 75 to 90 percent of the investment can be written off in 1 year. Some persons say depletion is simply depreciation, but it is not. Depletion is in addition to depreciation and in addition to the intangible drilling and development costs.

Unsuccessful or dry holes, of course, can be written off.

Also, there is the 14-point reduction in the tax itself—or a reduction from 52 percent to 38 percent on taxable income—for income derived from operations abroad in the Western Hemisphere—that is, Venezuela, Canada, Mexico, and so forth.

Thus, the companies which operate in Venezuela—that is a rich oil country—pay only 38 percent upon their taxable income, instead of, I believe, what is now the 48 percent and what has been the 52 percent paid before. When I say they pay only 38 percent upon their taxable income, I mean the limited income which is taxed after all deductions, including depletion allowance, have been subtracted.

Another item is royalty payments abroad, particularly in the Near East, which may be disguised as income tax payments for which the foreign tax credit is then available. This is the golden gimmick. A company can therefore escape liability for the U.S. tax by being allowed to take a tax credit for payment which a domestic taxpayer would be permitted only to deduct from gross income rather than to take as a credit against tax. This, of course, is an extremely valuable advantage.

It is well known that some of the big American companies have the exclusive rights to drilling in Saudi Arabia and other sections of the world. It is well known that, in general, royalty payments are approximately 50 percent of the gross revenue. The interesting point is that this is called a tax, and it can be applied against tax which these corporations otherwise would pay on the income. So in some cases they pay no U.S. income taxes at all.

So far as I know, and it has never been denied—although certain testimony taken in executive session by the Committee on Finance has been sealed as confidential and not to be published—I have never heard any representative of these oil companies in Saudi Arabia deny the statements which were made by former Senator Douglas, by me, and by others on the floor of the Senate. All these arrangements are extraordinarily generous, but, in addition, there is the other allowance which is called percentage depletion, and I have described that.

Mr. President, I should like to point out the enormous advantages that are provided by depletion and the other special tax privileges to oil companies.

I ask unanimous consent that a table of selected corporate business deductions, showing the deductions of all corporations, and a table of corporate depletion deductions by total asset classes be printed at this point in the RECORD.

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

TABLE 1.—*Selected corporate business deductions, all corporations, 1946–57*

[Dollar amounts in millions]

| Deduction | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Compensation of officers | $5,143.1 | $6,026.4 | $6,733.3 | $6,743.0 | $7,606.8 | $8,122.0 | $8,430.0 | $8,776.7 | $9,113.2 | $10,480.7 | $11,045.1 | $11,829.6 |
| Interest paid | 2,251.0 | 2,501.4 | 2,758.7 | 3,045.1 | 3,211.9 | 3,700.5 | 5,013.2 | 5,680.9 | 6,270.6 | 7,058.4 | 8,281.0 | 10,004.5 |
| Taxes paid | 5,830.5 | 6,892.9 | 7,481.7 | 8,361.3 | 9,013.2 | 11,030.8 | 11,696.8 | 12,194.9 | 12,476.9 | 14,202.6 | 15,038.5 | 16,393.0 |
| Contributions or gifts | 213.9 | 241.2 | 239.3 | 222.6 | 252.4 | 343.0 | 398.6 | 494.5 | 313.8 | 414.8 | 418.0 | 417.3 |
| Depletion | 798.9 | 1,210.3 | 1,711.3 | 1,476.2 | 1,709.3 | 2,085.1 | 2,126.5 | 2,301.8 | 2,358.6 | 2,805.5 | 3,084.3 | 3,346.8 |
| Depreciation | 4,201.7 | 5,220.1 | 6,298.6 | 7,190.5 | 7,858.1 | 8,829.0 | 9,604.4 | 10,410.6 | 13,691.5 | 13,418.8 | 14,952.9 | 16,968.3 |
| Amortization | 64.5 | 58.9 | 38.9 | 30.6 | 43.3 | 291.9 | 831.3 | 1,515.3 | | 2,590.3 | 2,625.9 | 2,463.9 |
| Advertising | 2,408.3 | 3,032.2 | 3,466.0 | 3,772.7 | 4,097.0 | 4,552.9 | 5,026.8 | 5,480.9 | 5,770.2 | 6,601.8 | 7,061.6 | 7,666.1 |
| Amounts contributed under pension plans, etc.[1] | 834.6 | 1,038.3 | 1,153.5 | 1,216.1 | 1,660.9 | 2,326.9 | 2,551.8 | 2,936.3 | 2,840.3 | 3,296.2 | 3,645.5 | 4,043.0 |
| | | | | | | | [2] 860.9 | [2] 860.9 | [2] 910.6 | [2] 1,146.9 | [2] 1,302.9 | [2] 1,626.2 |
| Other [3] | 5,892.1 | 7,338.4 | 8,062.8 | 7,998.7 | 8,371.3 | 9,709.7 | 10,493.6 | 11,520.5 | 11,445.5 | 12,959.1 | 14,325.4 | 15,476.4 |
| Total selected deductions | 27,638.6 | 33,560.1 | 37,944.1 | 40,056.8 | 43,824.2 | 50,991.8 | 56,803.4 | 62,273.3 | 65,191.2 | 74,975.1 | 81,781.1 | 90,235.1 |

[1] Deductions claimed under sec. 23(p) of the Internal Revenue Code for amount contributed by employers under pension, annuity, stock-bonus, or profit-sharing plans, or other deferred compensation plans.
[2] Contributions under employee welfare plans.
[3] Includes bad debts, repairs, and rent paid on business property.

Source: Internal Revenue Service, Statistics of Income, Corporation Income Tax Returns.

TABLE 2.—*Corporate depletion deductions by total assets classes, 1946–57* [1]

[In millions of dollars]

| Assets classes | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Under $50,000 | 3.3 | 3.9 | 4.9 | 3.7 | 4.0 | 3.5 | 3.1 | 4.7 | 4.2 | 5.7 | 8.6 | 12.5 |
| $50,000 and under $100,000 | 3.7 | 4.6 | 5.5 | 4.0 | 4.4 | 3.7 | 5.2 | 3.7 | 4.3 | 5.2 | 6.9 | 6.4 |
| $100,000 and under $250,000 | 10.8 | 14.7 | 16.1 | 11.9 | 12.6 | 12.1 | 13.5 | 13.5 | 15.7 | 27.2 | 21.1 | 22.7 |
| $250,000 and under $500,000 | 12.8 | 18.9 | 21.4 | 16.1 | 17.1 | 21.4 | 21.2 | 21.4 | 22.6 | 26.0 | 27.5 | 33.8 |
| $500,000 and under $1,000,000 | 23.2 | 31.8 | 40.8 | 21.4 | 31.5 | 41.4 | 35.1 | 38.6 | 32.2 | 45.1 | 43.1 | 47.0 |
| $1,000,000 and under $5,000,000 | 71.3 | 108.3 | 126.1 | 101.0 | 120.8 | 160.8 | 150.3 | 154.0 | 147.4 | 191.5 | 181.6 | 174.1 |
| $5,000,000 and under $10,000,000 | 38.3 | 54.3 | 72.5 | 57.5 | 68.5 | 83.8 | 85.7 | 83.3 | 73.7 | 80.0 | 96.7 | 124.6 |
| $10,000,000 and under $50,000,000 | 130.7 | 165.5 | 245.2 | 213.1 | 278.9 | 318.9 | 297.7 | 306.1 | 290.3 | 351.2 | 339.9 | 358.3 |
| $50,000,000 and under $100,000,000 | 38.6 | 85.7 | 89.7 | 92.8 | 115.2 | 120.8 | 131.2 | 119.8 | 134.0 | 178.1 | 249.0 | 241.6 |
| $100,000,000 or more | 445.0 | 713.8 | 1,076.5 | 895.1 | 1,038.8 | 1,299.3 | 1,370.0 | 1,539.3 | 1,517.9 | 1,869.0 | 2,082.5 | 2,308.9 |
| Total | 777.7 | 1,201.4 | 1,698.9 | 1,426.5 | 1,691.8 | 2,065.8 | 2,112.9 | 2,284.3 | 2,242.4 | 2,779.0 | 3,056.7 | 3,329.7 |
| | Percentage distribution | | | | | | | | | | | |
| Under $50,000 | 0.4 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 | 0.3 | 0.4 |
| $50,000 and under $100,000 | .5 | .4 | .3 | .3 | .3 | .2 | .2 | .2 | .2 | .2 | .2 | .2 |
| $100,000 and under $250,000 | 1.4 | 1.2 | .9 | .8 | .7 | .6 | .6 | .6 | .7 | 1.0 | .7 | .7 |
| $250,000 and under $500,000 | 1.7 | 1.6 | 1.3 | 1.1 | 1.0 | 1.0 | 1.0 | .9 | 1.0 | .9 | .9 | 1.0 |
| $500,000 and under $1,000,000 | 3.0 | 2.6 | 2.4 | 2.2 | 1.9 | 2.0 | 1.7 | 1.7 | 1.4 | 1.6 | 1.4 | 1.4 |
| $1,000,000 and under $5,000,000 | 9.2 | 9.0 | 7.4 | 7.1 | 7.1 | 7.8 | 7.1 | 6.7 | 6.6 | 6.9 | 5.9 | 5.2 |

See footnote at end of table.

TABLE 2.—*Corporate depletion deductions by total assets classes, 1946–57* [1]—Continued

| Assets classes | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| $5,000,000 and under $10,000,000 | 4.9 | 4.5 | 4.3 | 4.0 | 4.1 | 4.1 | 4.1 | 3.6 | 3.3 | 2.9 | 3.2 | 3.7 |
| $10,000,000 and under $50,000,000 | 16.8 | 13.8 | 14.4 | 14.9 | 16.5 | 15.4 | 14.1 | 31.4 | 12.9 | 12.6 | 11.1 | 10.8 |
| $50,000,000 and under $100,000,000 | 5.0 | 7.1 | 5.3 | 6.5 | 6.8 | 5.8 | 6.2 | 5.2 | 6.0 | 6.4 | 8.1 | 7.3 |
| $100,000,000 or more | 57.2 | 59.4 | 63.4 | 62.7 | 61.4 | 62.9 | 64.8 | 67.4 | 67.7 | 67.3 | 68.1 | 69.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

[1] All returns with balance sheets.

Source: Internal Revenue Service, Statistics of Income, pt. 2.

NOTE.—Detail may not add to totals because of rounding.

Mr. PROXMIRE. I also ask unanimous consent that a table showing corporate depletion deductions and net income by total assets, showing the percentage of the depletion which was used by firms in various categories of income, from $50,000 up to $100 million or more, be printed in the RECORD at this point.

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

TABLE 3.—*Corporate depletion deductions and net income by total assets classes, 1952–57*

[Dollar amounts in millions]

| Assets classes | 1952 | | | 1953 | | | 1954 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Net income | Depletion deductions | Depletion deductions as percent of net income | Net income | Depletion deductions | Depletion deductions as percent of net income | Net income | Depletion deductions | Depletion deductions as percent of net income |
| Under $50,000 | $382.5 | $2.6 | 0.7 | $370.6 | $3.2 | 0.9 | $354.9 | $3.3 | 0.9 |
| $50,000 and under $100,000 | 577.0 | 4.7 | .8 | 539.3 | 3.1 | .6 | 518.1 | 2.9 | .6 |
| $100,000 and under $250,000 | 1,364.9 | 11.2 | .8 | 1,251.1 | 11.2 | .9 | 1,281.3 | 15.3 | 1.0 |
| $250,000 and under $500,000 | 1,336.0 | 17.5 | 1.3 | 1,228.0 | 18.0 | 1.5 | 1,252.2 | 17.5 | 1.4 |
| $500,000 and under $1,000,000 | 1,644.7 | 27.4 | 1.7 | 1,473.2 | 28.8 | 2.0 | 1,459.3 | 23.9 | 1.6 |
| $1,000,000 and under $5,000,000 | 4,716.4 | 129.2 | 2.7 | 4,331.5 | 120.1 | 2.8 | 4,172.5 | 120.8 | 2.9 |
| $5,000,000 and under $10,000,000 | 2,319.1 | 64.6 | 2.8 | 2,188.6 | 70.2 | 3.2 | 2,025.7 | 59.5 | 2.9 |
| $10,000,000 and under $50,000,000 | 6,105.7 | 250.9 | 4.1 | 6,123.9 | 263.6 | 4.3 | 5,555.0 | 245.0 | 4.4 |
| $50,000,000 and under $100,000,0000 | 2,806.5 | 122.4 | 4.4 | 2,854.4 | 106.5 | 3.7 | 2,813.8 | 113.4 | 4.0 |
| $100,000,000 or more | 19,105.5 | 1,350.5 | 7.1 | 21,384.2 | 1,515.6 | 7.1 | 20,085.6 | 1,489.9 | 7.4 |
| Total | 40,358.3 | 1,980.9 | 4.9 | 41,750.9 | 2,140.3 | 5.1 | 39,518.4 | 2,089.3 | 5.3 |

Mr. PROXMIRE. It can be seen that the big boys are really benefiting—the big ones; that the small firms, the medium-sized firms, get almost no benefit at all. Before you get much out of this depletion allowance, you have to get into the large category, and before you get most of the benefit, you have to get into the $100 million class or more.

Mr. President, there is another important fact to be noted from these tables, and that fact is how the depletion allowance has grown through the years. I refer to all forms of depletion and not just these instances. In 1946 the figure was $798 million; in 1947 it was $1.2 billion; in 1948 it was $1.7 billion; and by 1951 it was just over $2 billion.

I have an estimate from the staff of the Committee on Internal Revenue Taxation. They estimate that as of 1967 it is over $4 billion. In other words, this is something that has grown fourfold. The depletion allowance writeoff against income has grown not double, not triple, but four times in the last 20 years. I do not know of any other item of income or taxes that has grown by such an enormous amount, especially when there is recognized the fact that 90 percent of the benefits go to about 20 huge corporations.

When Senator Douglas was in this body and leading the fight for the oil depletion allowance, he collected facts and figures on the taxes paid by oil- and gas-producing companies. I shall refer briefly to these facts and figures, and I shall not take more than 3 or 4 minutes to refer to them. They show for 27 companies since 1945, the taxes paid, as compared with the taxes that the rest of us pay.

As we all know, since World War II, taxes for most corporations have been 47 to 52 percent. However, oil and gas companies pay taxes lower than the amount others believe they should pay.

I shall call these companies company A, company B, company C, and so forth, because they have done nothing illegal. I do not condemn them but only the principle of percentage depletion.

Consider company W. In 1956–58, this company had net income after taxes of about $40 million and paid only $175,000 in taxes during this time. That tax was a foreign income tax. The company paid no domestic income tax. It paid nothing in 1957, 1956, or 1955. From 1953 to 1958 the net income after taxes was approximately $65 million. It paid no income tax. It actually received a net refund of $425,000. They paid no taxes. They had income of $65 million and they got money back from the Treasury. The Treasury paid them. How Mr. Average Taxpayer would like to earn $65 million and then have the Internal Revenue Service charge him no taxes, none and actually pay him $425,000.

Mr. President, this is company S. In 1964, the income was $5,198,000. The company paid $43,000 in taxes, or less than 1 percent. In other years, it paid between 5 and 7 percent in income taxes.

There are many other lurid cases which are designated companies O, X, Y, and U.

A man with a wife and three children, earning $4,000 a year, paid more taxes than company W with net profits over 5 years of $65 million. When these facts become known, as they should be, how long will the American people be happy under these conditions?

Mr. President, I ask unanimous consent that tabulations in that connection be printed at this point in the RECORD.

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

*Company A*

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $22,485,135 | [1] | $22,485,135 | ---------- |
| 1957 | 35,208,979 | $5,260,000 | 29,948,979 | 14.94 |
| 1956 | 29,523,395 | 3,024,000 | 26,499,395 | 10.24 |
| 1955 | 28,143,673 | 2,780,000 | 25,363,673 | 9.88 |
| 1954 | 21,029,684 | 1,252,000 | 19,777,648 | 5.95 |
| 1953 | 18,812,590 | 367,000 | 18,445,590 | 1.95 |
| 1952 | 16,550,361 | 654,000 | 15,896,361 | 3.95 |
| 1951 | 17,369,652 | 1,073,000 | 16,296,652 | 6.17 |
| 1950 | 18,467,607 | 3,068,000 | 15,399,607 | 16.61 |
| 1949 | 14,759,193 | 375,000 | 14,384,193 | 2.54 |
| 1948 | 27,367,252 | 4,725,000 | 22,642,252 | 17.27 |
| 1947 | 17,749,626 | 2,830,000 | 14,919,626 | 15.94 |
| 1946 | 10,130,975 | 1,275,000 | 8,855,975 | 12.59 |
| 1945 | 5,611,770 | 215,000 | 5,396,770 | 3.83 |

[1] Not available.

*Company B*

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $4,371,094 | $525,000 | $3,846,094 | 12.01 |
| 1957 | 5,392,505 | 150,000 | 5,242,505 | 2.78 |
| 1956 | 6,975,382 | 1,095,000 | 5,880,382 | 15.70 |
| 1955 | 5,975,382 | 485,000 | 4,965,220 | 9.90 |
| 1954 | 3,291,733 | 38,172 | 3,253,561 | 1.16 |
| 1953 | 5,594,074 | 1,552,500 | 4,441,574 | 27.75 |
| 1952 | 4,436,030 | 669,500 | 3,766,530 | 15.09 |
| 1951 | 5,561,770 | 714,880 | 4,846,890 | 12.85 |
| 1950 | 5,709,537 | 1,023,900 | 4,685,637 | 17.93 |
| 1949 | 3,259,928 | 163,040 | 3,096,888 | 5.00 |
| 1948 | 6,295,858 | 898,900 | 5,396,958 | 14.28 |
| 1947 | 4,011,073 | 1,023,126 | 2,987,947 | 25.51 |
| 1946 | 2,089,932 | 417,000 | 1,672,932 | 19.95 |
| 1945 | 2,321,605 | 205,908 | 2,115,697 | 8.87 |

### Company C

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $5,402,894 | $481,413 | $4,921,481 | 8.91 |
| 1957 | 5,561,652 | 640,635 | 4,921,017 | 11.52 |
| 1956 | 4,770,495 | 261,837 | 4,508,658 | 5.49 |
| 1956 | 4,826,687 | 417,388 | 4,409,299 | 8.65 |
| 1954 | 4,625,759 | 336,889 | 4,288,870 | 7.28 |
| 1953 | 4,391,404 | 179,114 | 4,212,290 | 4.08 |
| 1952 | 3,588,107 | 91,660 | 3,496,447 | 2.55 |
| 1951 | 3,934,107 | 399,397 | 3,534,710 | 10.15 |
| 1950 | 3,696,584 | 847,072 | 2,849,412 | 22.91 |
| 1949 | 3,373,448 | 679,553 | 2,693,895 | 20.14 |
| 1948 | 4,542,842 | 982,540 | 3,560,302 | 21.63 |
| 1947 | 2,284,109 | 529,781 | 1,754,328 | 23.19 |
| 1946 | 161,816 | 212 | 161,604 | .13 |
| 1945 | 33,895 | 256 | 33,639 | .76 |

### Company D

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $156,130 | [1] $13,000 | $169,130 | 0 |
| 1957 | 272,515 | 5,000 | 266,515 | 1.84 |
| 1956 | 476,556 | 35,000 | 437,556 | 7.41 |
| 1955 | 549,093 | 15,000 | 534,093 | 2.73 |
| 1954 | 309,405 | ---------- | 309,405 | ---------- |
| 1953 | 303,453 | 11,332 | 292,121 | 3.73 |
| 1952 | 159,084 | 25,686 | 133,398 | 16.15 |
| 1951 | 415,948 | 8,234 | 407,714 | 1.98 |
| 1950 | 277,514 | 1,500 | 276,014 | .54 |
| 1949 | 177,187 | 1,000 | 176,187 | .56 |
| 1948 | 526,061 | 35,000 | 491,061 | 6.65 |
| 1947 | 399,643 | 52,000 | 347,643 | 13.01 |
| 1946 | 139,923 | 1,000 | 138,923 | .71 |
| 1945 | 140,101 | 1,500 | 138,601 | 1.07 |

[1] Credit.

### Company E

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $8,108,706 | $800,000 | $7,308,706 | 9.87 |
| 1957 | 11,303,747 | 1,600,000 | 9,703,747 | 14.15 |
| 1956 | 11,379,241 | 1,900,000 | 9,479,241 | 16.69 |
| 1955 | 8,509,136 | 1,500,000 | 7,009,136 | 17.63 |
| 1954 | 5,320,750 | ---------- | 5,320,750 | ---------- |
| 1953 | 6,420,968 | 1,048,000 | 5,372,968 | 10.32 |
| 1952 | 5,601,723 | 1,400,000 | 4,201,723 | 24.50 |
| 1951 | 5,866,052 | 2,000,000 | 3,866,052 | 34.09 |
| 1950 | 4,951,476 | 1,500,000 | 3,451,476 | 30.29 |
| 1949 | 4,928,459 | 1,020,000 | 3,908,459 | 20.70 |
| 1948 | 5,766,543 | 960,000 | 4,806,543 | 16.65 |
| 1947 | 3,650,374 | 600,000 | 3,050,374 | 16.44 |
| 1946 | 3,248,813 | 200,000 | 3,048,813 | 6.16 |

### Company F

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $54,865,371 | $7,400,000 | $47,465,371 | 13.49 |
| 1957 | 51,273,749 | 4,550,000 | 46,723,749 | 8.87 |
| 1956 | 67,517,000 | 15,700,000 | 51,817,000 | 23.25 |
| 1955 | 56,259,000 | 9,900,000 | 46,359,000 | 17.60 |
| 1954 | 50,383,000 | 8,700,000 | 41,683,000 | 17.27 |
| 1953 | 55,775,000 | 14,900,000 | 40,875,000 | 26.71 |
| 1952 | 52,488,000 | 14,400,000 | 38,088,000 | 27.43 |
| 1951 | 58,593,000 | 17,300,000 | 41,293,000 | 29.53 |
| 1950 | 57,407,000 | 15,000,000 | 42,407,000 | 26.13 |
| 1949 | 46,487,000 | 10,390,000 | 36,097,000 | 22.35 |
| 1948 | 74,080,000 | 19,863,000 | 54,217,000 | 26.81 |
| 1947 | 40,655,000 | 9,298,000 | 31,357,000 | 22.87 |
| 1946 | 22,599,000 | 3,585,000 | 19,014,000 | 15.86 |
| 1945 | 16,371,000 | 1,228,000 | 15,143,000 | 7.50 |

### Company G

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $804,716 | $50,000 | $754,716 | 6.21 |
| 1957 | 1,167,546 | 115,000 | 1,052,546 | 9.85 |
| 1956 | 560,753 | ---------- | 560,753 | ---------- |
| 1955 | 832,765 | ---------- | 832,765 | ---------- |
| 1954 | 785,624 | ---------- | 785,624 | ---------- |
| 1953 | 730,699 | ---------- | 730,699 | ---------- |
| 1952 | 968,287 | 69,022 | 899,265 | 7.13 |
| 1951 | 935,134 | 137,220 | 797,914 | 14.67 |
| 1950 | 892,552 | 147,275 | 745,277 | 16.50 |
| 1949 | 969,991 | 204,860 | 765,131 | 21.12 |
| 1948 | 872,719 | 150,367 | 722,352 | 17.23 |
| 1947 | 654,922 | 160,452 | 494,470 | 24.45 |
| 1946 | 471,923 | 135,664 | 336,259 | 28.75 |
| 1945 | 461,448 | 180,808 | 280,640 | 39.18 |

### Company H

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $1,760,794 | 0 | $1,760,794 | 0 |
| 1957 | 2,176,226 | $160,000 | 2,016,226 | 7.35 |
| 1956 | 2,647,058 | 93,000 | 2,554,058 | 3.51 |
| 1955 | 1,994,072 | 86,000 | 1,908,072 | 4.31 |
| 1954 | 2,276,415 | 238,329 | 2,038,086 | 10.47 |
| 1953 | 1,899,343 | 156,039 | 1,743,304 | 8.22 |
| 1952 | 1,998,758 | 370,291 | 1,628,467 | 18.53 |
| 1951 | 1,992,234 | 411,166 | 1,581,068 | 20.64 |
| 1950 | 1,270,271 | 72,843 | 1,197,428 | 5.73 |

NOTE.—Records available only for last 9 years.

### Company I

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 [1] | $7,076,455 | [2] $23,352 | $7,099,807 | 0 |
| 1957 [1] | 9,079,022 | [2] 5,860 | 9,084,882 | 0 |
| 1957 | 9,078,922 | [2] 5,860 | 9,084,882 | [3] |
| 1956 | 8,886,172 | 151,000 | 8,735,172 | 1.69 |
| 1955 | 8,106,746 | 429,075 | 7,677,671 | 5.29 |
| 1954 | 6,769,145 | 196,335 | 6,572,810 | 2.90 |
| 1953 | 5,414,053 | 26,156 | 5,387,897 | .48 |
| 1952 | 5,067,243 | 410,539 | 4,656,704 | 8.10 |
| 1951 | 4,477,673 | 404 | 4,477,269 | .01 |
| 1950 | 3,456,001 | 202,087 | 3,253,914 | 5.85 |
| 1949 | 2,949,585 | 72,628 | 2,876,957 | 2.46 |
| 1948 | 2,774,079 | 201,176 | 2,572,903 | 7.25 |
| 1947 | 3,172,001 | 504,487 | 2,667,514 | 15.90 |
| 1946 | 755,220 | 258,488 | 496,732 | 34.23 |
| 1945 | 102,860 | 65,966 | 368,946 | 64.13 |

[1] 12 months ended June 30.
[2] Credit.
[3] Credit taxes.

NOTE.—In total analysis 1956 equals 1957 on this company, etc.

### Company J

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $2,950,700 | $90,000 | $2,860,700 | 3.05 |
| 1957 | 3,154,900 | 20,000 | 3,134,900 | .63 |
| 1956 | 3,168,549 | 75,000 | 3,093,549 | 2.37 |
| 1955 | 3,656,274 | 150,000 | 3,506,274 | 4.10 |
| 1954 | 3,570,162 | 360,000 | 3,210,162 | 10.08 |
| 1953 | 3,363,964 | 500,000 | 2,863,964 | 14.86 |
| 1952 | 2,561,162 | 267,461 | 2,293,701 | 10.44 |
| 1951 | 3,971,370 | 955,230 | 3,006,140 | 24.30 |
| 1950 | 2,302,729 | 519,263 | 1,783,466 | 22.55 |
| 1949 | 1,551,586 | 104,000 | 1,447,586 | 6.70 |
| 1948 | 1,344,021 | 150,000 | 1,194,921 | 11.16 |
| 1947 | 1,230,364 | 50,000 | 730,364 | 4.06 |
| 1946 | 409,171 | ---------- | 409,171 | ---------- |
| 1945 | 328,260 | ---------- | 328,260 | ---------- |

### Company K

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $14,145,331 | $2,300,000 | $11,845,331 | 16.23 |
| 1957 | 17,938,378 | 3,400,000 | 14,538,378 | 18.95 |
| 1956 | 16,316,268 | 2,500,000 | 13,816,268 | 15.32 |
| 1955 | 15,599,264 | 1,900,000 | 13,699,264 | 12.18 |
| 1954 | 11,541,464 | 1,278,154 | 10,263,310 | 10.01 |
| 1953 | 11,762,519 | 1,590,080 | 10,172,439 | 13.52 |
| 1952 | 9,218,224 | 1,875,000 | 7,343,224 | 20.34 |
| 1951 | 10,327,002 | 2,400,000 | 7,927,002 | 23.24 |
| 1950 | 8,723,484 | 2,000,000 | 6,723,484 | 22.93 |
| 1949 | 8,716,231 | 1,800,000 | 6,916,231 | 20.65 |
| 1948 | 17,245,547 | 4,000,000 | 13,245,547 | 23.19 |
| 1947 | 9,301,386 | 2,300,000 | 7,001,386 | 24.73 |
| 1946 | 5,321,560 | 1,010,000 | 4,311,560 | 18.98 |
| 1945 | 4,235,097 | 257,000 | 3,978,097 | 6.07 |

### Company L—Liquidated Apr. 11, 1957

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1954 | $7,762,785 | $1,275,000 | $6,487,785 | 16.42 |
| 1953 | 8,494,844 | 1,785,000 | 6,709,844 | 21.01 |
| 1952 | 7,844,057 | 1,500,000 | 6,344,057 | 19.12 |
| 1951 | 8,553,640 | 1,500,000 | 7,053,640 | 17.54 |
| 1950 | 8,086,702 | 1,983,000 | 6,103,702 | 24.52 |
| 1949 | 7,805,345 | 1,900,000 | 5,905,345 | 24.34 |
| 1948 | 7,512,733 | 1,726,006 | 5,786,727 | 22.97 |
| 1947 | 7,667,536 | 1,575,000 | 6,092,536 | 20.54 |
| 1946 | 5,146,094 | 1,100,000 | 4,046,094 | 21.38 |
| 1945 | 3,209,359 | 831,500 | 2,377,859 | 25.91 |
| 1944 | 3,519,208 | 1,068,760 | 2,450,448 | 30.37 |

### Company M

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $152,543,223 | $16,000,000 | $136,543,223 | 10.49 |
| 1957 | 192,910,393 | 17,000,000 | 175,910,393 | 8.81 |
| 1956 | 212,961,000 | 34,000,000 | 178,961,000 | 15.97 |
| 1955 | 215,997,000 | 41,000,000 | 174,997,000 | 18.98 |
| 1954 | 174,803,000 | 28,500,000 | 146,303,000 | 16.30 |
| 1953 | 207,757,854 | 43,500,000 | 164,257,854 | 20.94 |
| 1952 | 175,792,000 | 30,500,000 | 145,292,000 | 14.68 |
| 1951 | 220,981,000 | 51,500,000 | 160,481,000 | 23.30 |
| 1950 | 161,360,000 | 32,000,000 | 129,360,000 | 19.83 |
| 1949 | 138,480,000 | 18,000,000 | 120,480,000 | 13.00 |
| 1948 | 240,069,000 | 54,000,000 | 186,069,000 | 22.49 |
| 1947 | 153,207,000 | 29,100,000 | 124,107,000 | 18.99 |
| 1946 | 79,332,000 | 7,500,000 | 71,832,000 | 9.45 |
| 1945 | 80,395,000 | 9,500,000 | 70,895,000 | 11.82 |

### Company N

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $5,378,973 | 0 | $5,378,973 | 0 |
| 1957 [1] | 7,972,558 | $1,727,910 | 6,244,648 | 21.67 |
| 1956 | 5,378,994 | 699,000 | 4,679,994 | 13.00 |
| 1955 | 2,502,867 | 18,000 | 2,484,867 | .72 |
| 1954 | 1,603,682 | 23,923 | 1,579,759 | 1.49 |
| 1953 | 3,077,447 | 4,724 | 3,072,723 | .15 |
| 1952 | 2,334,532 | 99,844 | 2,234,688 | 4.28 |
| 1951 | 1,209,045 | 31,250 | 1,177,795 | 2.58 |
| 1950 | 282,202 | 49,750 | 232,452 | 17.63 |
| 1949 | 1,225,576 | 6,949 | 1,218,627 | .57 |
| 1948 | 1,395,517 | 29,053 | 1,366,464 | 2.08 |
| 1947 | 359,903 | 15,000 | 344,903 | 4.17 |
| 1946 | [2] 106,098 | 200 | [2] 106,298 | ---------- |
| 1945 | 1,537,551 | 406,500 | 1,131,051 | 26.44 |

[1] 12 months ended June 30.
[2] Deficit.

NOTE.—In totals analysis, 1956=1957 on this company, etc.

### Company O

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | (1) | (1) | (1) | |
| 1957 | $1,573,165 | | $1,573,165 | |
| 1956 | 1,034,094 | (2) | 1,034,094 | |
| 1955 | 1,006,718 | (2) | 1,006,718 | |
| 1954 | 1,690,567 | $42,130 | 1,648,437 | 2.49 |
| 1953 | 1,873,226 | 50,000 | 1,823,226 | 2.67 |
| 1952 | 1,502,077 | 40,000 | 1,462,077 | 2.66 |
| 1951 | 2,714,277 | 30,000 | 2,684,227 | 1.11 |
| 1950 | 2,692,947 | 40,000 | 2,652,947 | 1.49 |
| 1949 | 3,382,140 | 42,323 | 3,382,140 | 1.25 |
| 1948 | 4,236,057 | 348,900 | 3,887,157 | 8.24 |
| 1947 | 1,517,480 | 48,919 | 1,468,561 | 3.22 |
| 1946 [3] | 689,609 | 10,241 | 679,368 | 1.51 |
| 1945 [3] | 664,526 | 4,103 | 660,423 | .62 |
| 1954 [3] | 2,205,837 | 42,130 | 2,163,707 | 1.91 |
| 1953 [3] | 2,600,271 | 50,000 | 2,550,271 | 1.92 |
| 1952 [3] | 2,202,835 | 40,000 | 2,162,835 | 1.81 |
| 1951 [3] | 2,623,191 | 30,000 | 2,593,191 | 1.14 |
| 1950 [3] | 3,744,852 | 40,000 | 3,704,852 | 1.01 |
| 1949 [3] | 4,158,672 | 42,322 | 4,116,350 | 1.00 |
| 1948 [3] | 4,353,435 | 348,900 | 4,004,535 | 8.01 |

[1] Not available.
[2] Not reported.
[3] Figures for 1954–48 restated as result of revision of estimates of recoverable oil and gas revenues.

NOTE.—Company O felt not liable for Federal income tax in this period.

### Company P

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $6,135,363 | $470,000 | $5,765,363 | 7.66 |
| 1957 | 6,611,110 | 660,000 | 5,951,110 | 9.98 |
| 1956 | 6,277,997 | 478,000 | 5,799,997 | 7.61 |
| 1955 | 6,211,916 | 470,000 | 5,741,916 | 7.56 |
| 1954 | 6,209,385 | 470,000 | 5,739,385 | 7.57 |
| 1953 | 6,761,834 | 515,000 | 6,246,834 | 7.62 |
| 1952 | 7,023,582 | 540,000 | 6,483,582 | 7.69 |
| 1951 | 7,008,444 | 535,000 | 6,473,444 | 7.63 |
| 1950 | 6,616,103 | 415,000 | 6,201,103 | 6.27 |
| 1949 | 4,940,029 | 270,000 | 4,670,029 | 5.47 |
| 1948 | 5,679,055 | 333,000 | 5,346,055 | 5.86 |
| 1947 | 2,827,824 | 159,000 | 2,668,824 | 5.62 |
| 1946 | 2,532,718 | 151,000 | 2,381,718 | 5.96 |
| 1945 | 2,522,301 | 157,075 | 2,365,226 | 6.23 |

### Company Q

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $16,144,274 | $3,271,000 | $12,873,274 | 20.26 |
| 1957 | 19,137,735 | 4,500,000 | 14,637,735 | 23.51 |
| 1956 | 10,590,947 | 2,703,000 | 7,887,947 | 25.52 |
| 1955 | 13,034,071 | 1,852,000 | 11,182,071 | 14.21 |
| 1954 | 14,484,813 | 1,967,000 | 12,517,813 | 13.58 |
| 1953 | 12,815,586 | 1,143,000 | 11,672,586 | 8.92 |
| 1952 | 9,570,934 | 602,000 | 8,968,934 | 6.29 |
| 1951 | 8,190,680 | 385,000 | 7,805,680 | 4.70 |
| 1950 | 6,263,638 | 400,000 | 5,863,638 | 6.39 |
| 1949 | 5,183,830 | 210,000 | 4,973,830 | 4.05 |
| 1948 | 7,713,057 | 407,623 | 7,305,434 | 5.28 |
| 1947 | 3,896,936 | 85,000 | 3,811,936 | 2.02 |
| 1946 | 1,614,888 | 65,000 | 1,549,888 | 4.02 |
| 1945 | 997,075 | 40,000 | 957,075 | 4.01 |

### Company R

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $3,620,312 | [1] $968,000 | $4,588,312 | |
| 1957 | 6,908,969 | 882,000 | 6,026,969 | 12.77 |
| 1956 | 10,595,588 | 2,640,000 | 7,955,588 | 24.92 |
| 1955 | 8,052,718 | 1,164,559 | 6,888,159 | 14.46 |
| 1954 | 8,395,561 | 1,636,500 | 6,759,061 | 19.49 |
| 1953 | 11,536,428 | 3,477,350 | 8,059,078 | 30.14 |
| 1952 | 13,532,095 | 3,884,000 | 9,648,095 | 28.70 |
| 1951 | 14,940,795 | 4,645,000 | 10,295,795 | 30.11 |
| 1950 | 10,850,226 | 2,351,801 | 8,498,425 | 21.68 |
| 1949 | 6,470,610 | 299,023 | 6,171,587 | 4.62 |
| 1948 | 8,229,656 | 1,635,000 | 6,594,656 | 19.87 |
| 1947 | 4,773,864 | 576,444 | 4,197,420 | 12.07 |
| 1946 | 2,475,239 | 370,000 | 2,105,239 | 14.95 |
| 1945 | 1,983,259 | 252,500 | 1,730,759 | 10.27 |

[1] Credit.

### Company S

| Year [1] | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 [1] | $3,337,324 | [2] $236,642 | $3,100,682 | 7.09 |
| 1957 [1] | 4,712,841 | 330,000 | 4,382,841 | 7.00 |
| 1957 | 4,712,841 | 330,000 | 4,382,841 | 7.02 |
| 1956 | 4,060,798 | 260,000 | 3,800,798 | 6.40 |
| 1955 | 4,284,521 | 220,000 | 4,064,521 | 5.13 |
| 1954 | 5,241,179 | 43,000 | 5,198,179 | .82 |
| 1953 | 5,525,948 | 583,000 | 4,942,948 | 10.55 |
| 1952 | 5,618,762 | 1,425,000 | 4,193,762 | 25.36 |
| 1951 | 5,280,578 | 964,000 | 4,316,578 | 18.26 |
| 1950 | 2,944,322 | 191,000 | 2,753,322 | 6.49 |
| 1949 | 4,736,153 | 342,000 | 4,394,153 | 7.22 |
| 1948 | 4,231,001 | 266,000 | 3,947,001 | 6.31 |
| 1947 | 3,200,034 | 160,000 | 3,040,034 | 4.99 |
| 1946 | 1,809,404 | 30,000 | 1,779,404 | 1.66 |

[1] 12 months ended June 30.
[2] Includes credit of $171,642 prior years' tax adjustment.

NOTE.—In total analysis 1956=1957 for this company, etc.

### Company T

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $1,011,165 | [1] $235,320 | $1,246,485 | 0 |
| 1957 | 701,822 | 0 | 701,822 | 0 |
| 1956 | 949,659 | 138,000 | 811,659 | 14.53 |
| 1955 | 1,385,335 | 185,000 | 1,200,335 | 13.35 |
| 1954 | 542,208 | 2,500 | 539,708 | 4.61 |
| 1953 | 408,107 | | 408,107 | |
| 1952 | 431,569 | | 431,569 | |
| 1951 | 273,473 | | 273,473 | |
| 1950 | 183,116 | 5,000 | 178,116 | 2.73 |
| 1949 | [1] 6,000 | | [1] 6,000 | |

[1] Credit.

### Company U

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | (1) | (1) | (1) | |
| 1957 | $11,719,324 | $560,482 | $11,158,842 | 4.78 |
| 1956 | 9,568,842 | 200,000 | 9,368,842 | 2.09 |
| 1955 [2] | 9,340,810 | 900,000 | 8,440,810 | 9.64 |
| 1954 | 7,805,307 | 335,000 | 7,470,307 | 4.29 |
| 1953 | 7,140,132 | 600,000 | 6,540,132 | 8.40 |
| 1952 | 7,715,591 | 1,000,000 | 6,715,591 | 12.96 |
| 1951 | 10,239,600 | 2,900,000 | 7,396,000 | 28.32 |
| 1950 | 7,659,000 | 1,200,000 | 6,459,000 | 15.67 |
| 1949 | 6,656,347 | 875,000 | 5,781,347 | 13.15 |
| 1948 | 9,030,713 | 2,250,000 | 6,780,713 | 24.91 |
| 1947 | 7,191,002 | 1,250,000 | 5,941,002 | 17.38 |
| 1946 | 3,400,586 | 400,000 | 3,000,586 | 11.76 |

[1] Not available.
[2] Restated to conform with accounting practice effective Jan. 1, 1956—method of charging intangible development costs was changed. 1956 net income would have been $1,470,000 less without such change.

### Company V—Liquidated

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1954 | $4,173,767 | | $4,173,767 | |
| 1953 | 3,951,367 | $350,000 | 3,601,367 | 8.86 |
| 1952 | 4,414,623 | 660,000 | 3,754,623 | 14.95 |
| 1951 | 3,112,871 | | 3,112,871 | |
| 1950 | 1,904,836 | 526,000 | 1,378,836 | 27.61 |
| 1949 | [1] 592,448 | 7,500 | 584,948 | 1.26 |
| 1948 | 461,640 | 2,400 | 459,240 | .52 |
| 1947 | 416,506 | 4,100 | 512,406 | .98 |
| 1946 | 328,052 | 11,282 | 316,770 | 3.44 |
| 1946 [2] | 176,841 | 5,250 | 171,591 | 2.97 |
| 1945 [2] | 293,539 | 6,127 | 287,412 | 2.00 |

[1] Before $653,408 loss on wells abandoned.
[2] 12 months ended Apr. 30. In 1946, the company changed to a calendar year basis so 1946 taxes are shown both ways.

### Company W

| Year [1] | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 [1] | $16,726,337 | [2] $175,000 | $16,551,337 | 1.05 |
| 1957 [1] | 18,877,389 | 0 | 18,877,389 | 0 |
| 1957 | 18,877,389 | | 18,877,389 | |
| 1956 | 5,040,752 | | [3] 5,040,752 | |
| 1956 [4] | (5) | | (5) | |
| 1955 | 3,395,446 | | 3,395,446 | |
| 1954 | 10,260,388 | [6] 100,000 | 10,360,388 | (7) |
| 1953 | 11,500,382 | [6] 500,000 | 12,000,382 | (7) |
| 1952 | 12,100,165 | 200,000 | 11,900,165 | 1.65 |
| 1951 | 15,195,639 | 1,900,000 | 13,295,639 | 12.03 |
| 1950 | 7,128,542 | 200,000 | 6,928,542 | 2.81 |
| 1949 | 7,483,443 | 200,000 | 7,283,443 | 2.67 |
| 1948 | 17,917,474 | 3,000,000 | 14,917,474 | 16.74 |
| 1947 | 5,266,897 | 400,000 | 4,866,897 | 7.59 |
| 1946 | 1,844,156 | | 1,844,156 | |
| 1945 | 5,422,254 | 450,000 | 4,972,254 | 8.29 |

[1] 12 months ended Aug. 31.
[2] Foreign income taxes.
[3] Same for both consolidated and company only.
[4] Consolidated.
[5] Same.
[6] Credit.
[7] Credit taxes.

NOTE.—In total analysis, 1956=1957 on this company, etc.

### Company X

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $4,642,978 | $670,023 | $3,972,955 | 14.43 |
| 1957 | 7,670,654 | 840,709 | 6,829,945 | 10.96 |
| 1956 | 6,057,708 | 400,000 | 5,657,708 | 6.60 |
| 1955 | 6,720,029 | 400,000 | 6,320,029 | 5.95 |
| 1954 | 5,245,527 | | 5,245,527 | |
| 1953 | 4,470,659 | 240,000 | 4,230,659 | 5.37 |
| 1952 | 3,635,498 | 450,000 | 3,185,498 | 12.38 |
| 1951 | 3,702,765 | 550,000 | 3,152,765 | 14.85 |
| 1950 | 3,770,706 | 696,200 | 3,047,506 | 18.46 |
| 1949 | 4,022,266 | 640,907 | 3,381,359 | 15.93 |
| 1948 | 4,731,952 | 901,906 | 3,830,046 | 19.06 |
| 1947 | 2,940,750 | 597,621 | 2,343,129 | 20.32 |
| 1946 | 1,394,512 | 163,973 | 1,230,539 | 11.75 |
| 1945 | 666,557 | | 666,557 | |

*Company Y*

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $6,231,481 | 0 | $6,231,481 | 0 |
| 1957 | 7,802,218 | $570,000 | 7,232,218 | 7.31 |
| 1956 | 7,859,694 | 650,000 | 7,209,694 | 8.27 |
| 1955 | 8,449,374 | 500,000 | 7,949,374 | 5.92 |
| 1954 | 8,256,034 | 400,000 | 7,856,034 | 4.85 |
| 1953 | 8,874,068 | 1,275,000 | 7,599,068 | 14.37 |
| 1952 | 8,101,335 | 1,255,000 | 6,846,335 | 15.49 |
| 1951 | 8,009,124 | 1,185,000 | 6,824,124 | 14.79 |
| 1950 | 7,047,367 | 1,050,000 | 5,997,367 | 14.89 |
| 1949 | 7,048,753 | 710,000 | 6,338,753 | 10.07 |
| 1948 | 9,186,038 | 1,725,000 | 7,461,038 | 18.78 |
| 1947 | 4,883,907 | 760,000 | 4,123,907 | 15.56 |
| 1946 | 2,428,249 | 315,000 | 2,113,249 | 12.97 |
| 1945 | 1,934,850 | 175,000 | 1,759,850 | 9.04 |

*Company Z*

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $2,065,816 | 0 | $2,065,816 | 0 |
| 1957 | 2,215,290 | 0 | [1] 2,215,290 | 0 |
| 1956 [2] | 746,447 | ---------- | 746,447 | ---------- |
| 1956 [3] | 1,602,988 | ---------- | 1,602,988 | ---------- |
| 1955 | 1,262,177 | ---------- | 1,262,177 | ---------- |
| 1954 | 1,720,086 | ---------- | 1,720,086 | ---------- |
| 1953 | 1,508,988 | ---------- | 1,508,988 | ---------- |
| 1952 | 1,547,048 | ---------- | 1,547,048 | ---------- |
| 1951 | 703,747 | ---------- | 703,747 | ---------- |
| 1950 | 151,488 | ---------- | 151,488 | ---------- |
| 1949 | 154,707 | ---------- | 154,707 | ---------- |
| 1948 | 134,881 | ---------- | 134,881 | ---------- |

[1] Adjusted.
[2] 7 months ending Dec. 31.
[3] In totals analysis, May 31 ending years used.

NOTE.—Years end May 31 prior to 1957.

*Company A–Z*

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | $909,982 | 0 | $909,982 | 0 |
| 1957 | 891,025 | 0 | 891,025 | 0 |
| 1956 | 783,082 | ---------- | 783,082 | ---------- |
| 1955 | 981,994 | ---------- | 981,994 | ---------- |
| 1954 | 647,516 | ---------- | 647,516 | ---------- |
| 1953 | 1,008,416 | $80,000 | 928,416 | 7.93 |
| 1952 | 768,664 | ---------- | 768,664 | ---------- |
| 1951 | 1,143,004 | 283,000 | 860,004 | 24.76 |
| 1950 | 969,156 | 264,774 | 704,382 | 27.32 |
| 1949 | 394,227 | ---------- | 394,227 | ---------- |
| 1948 | 874,306 | 173,000 | 701,306 | 19.79 |
| 1947 | 655,289 | 73,000 | 582,289 | 11.14 |
| 1946 | 227,789 | ---------- | 227,789 | ---------- |
| 1945 | 322,232 | ---------- | 332,232 | ---------- |

*Company B–Z*

| Year | Net income before income taxes | Income taxes | Net income after income taxes | Percent of income taxes to income before taxes |
|---|---|---|---|---|
| 1958 | [1] $31,647,420 | [2] $4,074,902 | $33,825,276 | ---------- |
| 1957 | 35,009,503 | [2] 1,827,610 | 35,669,759 | ---------- |

[1] State and foreign income taxes included.
[2] Credit.

Mr. PROXMIRE. Mr. President, I do not mean to contend that the oil industry does not contribute greatly to the country. It does. It is an essential industry and it produces a product which is essential to our security as well as our abundance, our commerce, and well-being. It is a source of substantial employment in the Nation and a director of massive investment capital.

Exploration is needed in raw material to convert into production. Also it is composed of some individuals for whom I have a particularly warm spot, the small businessman. It has been characterized by the small operator who takes a chance for a long return. Such men typically operate best in small units and this has been the nature of much of the industry.

Mr. President, I think we should recognize that the industry is not operating in the best interests of the American consumer or the economy, or, in the last analysis, individual producers of the oil industry itself. It is operating under State and local regulations and laws that encourage inefficiency.

Mr. President, this amendment would do something to correct and rectify that situation by giving the small operator, the man grossing less than $1 million a year, an opportunity to continue to operate with some advantage because he deserves it since he is taking a big risk.

As I say, the big operator does not have any risk at all, to speak of. Furthermore, I have heard it said that no one who has an income that puts him in the 60-percent tax bracket or higher can afford to stay out of oil because of the depletion advantage, the intangible drilling advantage, the dry well advantage, and all the other advantages included in the revenue act in favor of oil investors, in the hope that someone in that income tax bracket is going to find all kinds of ways to write off his other income, reducing his taxes and getting that amount returned. This has resulted in great overinvestment in the oil industry and one of the reasons why we have to have so many restrictions, because it has been so attractive for people to go into oil.

The oil industry has gone into resources more than it should, perhaps, and this is bad for the economy as well as for the general taxpayer.

I also view the oil industry as a taxpayer. Here we find the final insult to the national economy. Despite all the monopoly protection the oil industry has provided for itself, and despite all the protection it has obtained in the name of national security, the oil industry has also consistently demanded and received special tax concessions available to no other group in the Nation. Through these concessions, the oil industry sharply reduced its financial support of the Government. Through its tax concessions alone, it has become a national example of the most notorious loopholes, recognized as such even by Fortune Magazine.

The tax structure upon which our Government depends is largely self-enforcing. When individuals and companies generally pay their taxes, they must have confidence that everyone else is paying his "fair share", to use a term we know so well. When it becomes generally known that one group fully capable of paying taxes is not paying taxes, the individual taxpayer feels resentful—with complete justification—and is less willing to pay his own taxes. Not only is the oil industry not carrying its fair share—it is also encouraging others to avoid their fair share.

Does the oil industry pay taxes? Let us look at the ugly facts. We had a Federal corporation tax rate of 52 percent in 1963. Yet the seventh largest industrial corporation in the country, Texaco, with a net income of over $500 million made provision for income taxes in 1963 of only 13 percent. Standard of Indiana, the 14th largest corporation, with a net income of over $180 million, paid in all income taxes, Federal and other, only 14 percent of its net income. Shell, the 16th largest corporation, paid only 18 percent in all income taxes. Continental Oil paid only 10 percent in Federal income taxes. Tidewater, in 1962, paid only 8 percent in all income taxes. Atlantic, in the same year, had over $46 million in net profit and yet paid no income taxes and has apparently not paid any income taxes between 1956 and 1963. I do not have the figures after 1963. Pure Oil ended up 1963 with virtually $30 million in net profit and yet had a net tax credit. It received several hundred thousand dollars in refunds.

But what of individuals in the oil industry? The lowest individual tax rate in 1963 was 20 percent on taxable incomes from 0 to $2,000 or $4,000 for married couples.

Mr. MILLER. Mr. President, will the Senator from Wisconsin yield at that point?

Mr. PROXMIRE. I am happy to yield to the Senator from Iowa.

Mr. MILLER. I was wondering, in connection with some of those figures to which the Senator is referring, with respect to one oil company which had a $46 million net income yet paid no taxes——

Mr. PROXMIRE. That is right.

Mr. MILLER. I was wondering whether the Senator is claiming that the reason no income tax was paid was due to the percentage depletion deduction.

Mr. PROXMIRE. I have made it as clear as I can that this is only one of a series of advantages which the oil companies enjoy. This is a most conspicuous one. It is one which is most significant in reducing the level of taxes they have paid. In this case, I am positive that this particular company not only reduced its tax obligations through the depletion allowance but also through the intangible drilling provision. I think that this company—I am not positive—had foreign investments and used the "golden" gimmick and a number of other devices for the depletion allowance in the central markets.

Mr. MILLER. I should like to suggest to the Senator——

Mr. PROXMIRE. Which, I might say, is the least justifiable.

Mr. MILLER. I would suggest to the Senator that he beware he does not fall into the same error which our former Chairman of the Joint Economic Committee, the former Senator from Illinois—Mr. Douglas—used to fall into——

Mr. PROXMIRE. There were very few if any errors which Senator Douglas fell into on this subject.

Mr. MILLER. In citing these figures, because intangible drilling and development costs are deducted in arriving at net income. It is to the gross income figure that the percentage depletion is applied. I am sure the Senator understands that the percentage depletion is 27.5 percent of gross income and in no event exceeds 50 percent of the net income so that the——

Mr. PROXMIRE. Gross income.

Mr. MILLER. No, net income. In other words, if the net income is $100 million, the most the percentage depletion deduction can be is $50 million. So that failure to pay an income tax would have to be attributable to some other kind of deduction which is available to taxpayers in general.

I would wager, if the Senator would check, that he would find the net operating loss deduction, either carryover or carryback, which is available to oil companies, manufacturing companies, individuals—anyone—would be responsible for the failure of that company to pay any income tax.

Mr. PROXMIRE. I am positive, as I say, and repeat, that there are many reasons why oil companies are able to reduce their tax liability. I point out the fact that they can write off 75 percent to 90 percent of their intangible drilling costs the first year.

That is one of the reasons for it. I am not saying that if we provide this change in the oil depletion allowance it would end oil privileges, but I think I am being moderate—and the Senator from Iowa is being helpful in making my point for me—that these other advantages would be continued and yet we would increase Federal revenues by $450 million. That is why the oil industry is a privileged industry, leaving it with a very much lower tax on net income than virtually any other industry.

I wish to say, furthermore, that we would be putting them into closer equality with other minerals whose depletion allowance is less.

Finally, I point out to the Senator from Iowa that this does not eliminate the oil depletion allowance itself. We keep it. We keep it mostly for the big fellow, and not all of it for the little one.

Mr. MILLER. I will respond to that later. But the point I wish to make is that when the Senator from Wisconsin comes out with these statistics showing that some oil company has a very large amount of net income but pays no income taxes, it should be made clear that it can come not just from the percentage on oil depletion, but from deductions which are available to all other taxpayers. The net operating loss and carryback is the major one.

Mr. PROXMIRE. I think the Senator from Iowa is right, that there are many loopholes in the law. One of the reasons I am making this speech is that many experts on tax reform say, "You will not make any real progress politically until you do something about this excessive oil depletion allowance." Once that is out of the way, some of these other privileges to which the Senator from Iowa properly referred would also be changed, modified, and improved so that we would have something like a more equitable tax system.

But it is ridiculous to have a tax system in this country allowing such things as were exposed by the Senator from Tennessee [Mr. GORE] and other Senators in this area, concerning those several hundred Americans with incomes of over a million dollars a year who, on the average, pay something like 16 percent or 18 percent in taxes to the Federal Government. Also, that some of those people with incomes each year of more than a million dollars pay no taxes at all. This is true in many cases—not in all cases, by any means, but in many cases. It is in large part because they have investments in oil.

Mr. MILLER. On that point of individuals having as much as $1 million in net income, and only paying a 16-percent rate, let me point out to the Senator from Wisconsin, that as a former practicing tax lawyer, I well know how this could happen because oil clients of mine in a similar situation, making a lot of money as small manufacturers, can reduce that by his losses which he pours into dry holes. That is one reason why——

Mr. PROXMIRE. Right.

Mr. MILLER. Those people are willing to invest, because if it is a dry hole he can get a deduction.

Mr. PROXMIRE. That is why there is this overinvestment in the oil industry. That is why a reduction in the oil depletion allowance would put our resource investment on a more rational basis.

Mr. MILLER. I will respond to that later, but the point I want to make now, in response to the Senator's comments, is that I think the statistics of someone making $1 million a year and paying a tax rate of only 16 percent, I will wager that even in those cases where they pay no tax, the net operating loss, carryover or carryback deduction is involved.

This is a very important thing, and it is available to any business—oil, manufacturing, farming, ranchers, or any other business.

Mr. PROXMIRE. Take these companies, not over a period of 1 or 2 or 3 years, but over a period of many years. That is what we have done in the tables. Taking these companies over a period of 15 or 20 years, in no year do many of these companies pay more than 10 or 15 percent of their net income in taxes. If it were a matter of a loss or carryback, the companies would be able to reduce income taxes in 2 or 3 years, but they cannot do it for 15 or 20 years. Over the years, the entire oil industry has averaged one-third of the taxes paid by other industries. That cannot be done on the basis of a loss carryover or loss carryback.

Mr. MILLER. No, but if the Senator is using intangible drilling and development costs, on which no income tax was paid, I remind him that it takes money to carry on that intangible drilling and development cost, and that work cannot be carried on without paying the driller.

Mr. PROXMIRE. Of course not. We are talking about the way that cost is written off. It is written off in a way that other businessmen do not write off their capital costs.

Mr. MILLER. But the fact is that in any year drilling and development costs must come out of the bank. If these costs are not allowed to be deducted, where are they to get the money to carry on?

The Senator from Wisconsin has referred to this provision as a loophole. I am sure he recognizes, if he wishes to use the word "loophole," that these provisions are deliberate and calculated "loopholes."

To me, as a tax lawyer, a loophole is a tax avoidance device which someone has been able to figure out because of a gap in the thinking of the Congress. It is an oversight.

Mr. PROXMIRE. May I say to the able Senator from Iowa that the gap in the thinking of Congress goes back to 1926, when the corporate income tax was 13 percent. The depletion allowance was written in at 27½ percent. When the corporate income tax was raised to 52 percent, the depletion allowance increased fourfold in value.

If my amendment were to place the depletion allowance at the same level of value as oil companies enjoyed in 1926, I would go back not to 27½ percent, but to 7 percent to one-quarter of what it is at the present time.

So the loophole developed from the fact that when the increase in the corporate income tax was made, the depletion allowance was left at this excessively high level.

Mr. MILLER. And since that time the Senator and some of his colleagues have brought this matter to the attention of the Congress.

Mr. PROXMIRE. Yes, and what a Congress we have had.

Mr. MILLER. And the Congress has year in and year out recognized it and left it alone. When that happens, it is no longer a loophole.

Mr. PROXMIRE. Why has the Congress done that? It is because we have had the powerful Members of Congress—sincere people, honorable people—Members of Congress from oil States who have been at the crux, the center of power in our Federal Government. They include the Speaker of the House of Representatives, the majority leader of the Senate—not the present one but the preceding one—the President of the United States. I am not accusing them of being self-serving at all. They are conscientious men. They are good and decent people. But they represent the point of view of their particular States, the point of view with which they have been associated most of their lives. The Senator from Iowa knows that is true.

Just let a Senator try to get on the Finance Committee if he is a dedicated and outspoken critic of the oil industry. Maybe it is different now, but I wanted to get on the Finance Committee year after year after year, and year after year

after year Senators with less seniority were put on it before me. I was told confidentially by Senators from oil States that my oil depletion views was the reason. They said this was a fact of life in the Senate. This is why the Senate has not acted on the oil depletion allowance.

Mr. MILLER. The Senator from Iowa well knows that there are some people who are concerned about the oil industry who are very knowledgeable and are influential, and quite properly so——

Mr. PROXMIRE. Of course, they are; not only influential, but they are the most influential.

Mr. MILLER. Just as there are Members who represent the manufacturing interests who are influential; just as there are Members who represent the interests of organized labor who are influential. But the point is that under the seniority system in the Senate, it is very clear that when a vacancy occurs on the Finance Committee, a Democrat or Republican with the necessary seniority will be put on the committee.

I invite the attention of the Senator to the fact that the ranking Republican member of the Finance Committee has on several occasions introduced amendments similar to that of the Senator from Wisconsin.

Mr. PROXMIRE. Yes, and I admire the Senator from Delaware [Mr. WILLIAMS] very much, who has the same feeling in this regard. I am saying that the majority party—the party I love, and support—has simply had a policy which has favored this particular loophole, the oil depletion allowance. I think we ought to change it. We ought to have a look at it. We have not considered it for a long time. I think we should consider it at a time when it seems that almost every other provision in the Internal Revenue Code is being considered.

Mr. MILLER. The Senator knows that I do not for one moment question his sincerity. I would be the last one to say that all tax deductions should not be scrutinized. Every once in a while we should see whether they are achieving the purpose for which they were enacted. But the Senator from Iowa does not come from an oil State——

Mr. PROXMIRE. That is true.

Mr. MILLER. I had the opportunity to serve in the Internal Revenue's Chief Counsel's office, where I had an opportunity to work on oil cases, and I think I know something about taxation of oil companies.

Mr. PROXMIRE. That is correct.

Mr. MILLER. I am not saying the law is perfect, but when we talk about glaring "loopholes" in the tax law, they are there, not because of oversight, but because Congress intended very definitely that they remain there.

The investment tax credit has been called a "loophole" by some, but the Senator from Wisconsin and the Senator from Iowa were here when it was adopted, and it was clearly put on the books by deliberate action of the Congress.

So I think we have to be a little careful when we use the word "loophole." It may sound good to some people, but it really is not a loophole in the true sense of the word.

Speaking with reference to the depletion allowance, I want to respond to the statement to the effect that so much income has been earned and so little tax paid on it. While it is true that there is a depletion allowance, there are other deductions of various kinds for many other types of corporations and businesses in this country.

Mr. PROXMIRE. I thank the Senator from Iowa. There is no question that this is not the only loophole in the law. I still insist on calling it a "loophole." It may be a matter of semantics, but I view it as that. This is the view shared by many commentators on our tax laws.

Believe it or not, our Nation is made up of persons who actually pay this rate. Imagine 20 percent, $800, on the first $4,000 of net income. In the oil industry, and in the oil industry alone, you have an entirely different type of person—men from another world, who take but do not pay for taking.

Your industry has a man who made over $28 million in 1960. How much did he pay in taxes? Nothing. Your industry has a man with an income in 1960 of over $4 million. How much did he pay in taxes? Nothing. Your industry has a man with an income in 1960 of $1.5 million. How much did he pay in taxes? Nothing.

The rest of the world, the world of taxpayers, is beginning to learn about this other world—the world of nontaxpayers. Its boundaries are identical with the boundaries of the oil industry. We get glimpses into this other world, although we are not allowed to enter. We assume, from outward appearances, that the oil industry is a world inhabited by people exempt from taxes. Is this advantage good for your industry? Is it good for our Nation to contain such a tax exempt world?

The effect of this special privilege is to rob the rest of the Nation. The robbery occurs, first, because Government expenses, whether the oil industry recognizes it or not, must be paid. Therefore, since the oil industry is legally enabled to reduce its taxes sharply, other industries, small businesses, and individuals must make up the difference through higher taxes than they would otherwise pay, if the oil industry carried its fair share.

Mr. KENNEDY of Massachusetts. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Massachusetts.

Mr. KENNEDY of Massachusetts. As a point of clarification for the Senator from Massachusetts, I wonder whether the Senator from Wisconsin feels there is really a very legitimate use for this kind of special privilege, to use the words of the Senator from Wisconsin, for exploration by the small, independent kind of wildcatter?

Mr. PROXMIRE. Yes, indeed.

Mr. KENNEDY of Massachusetts. I believe, looking over the history of the Proxmire proposal, which I have referred to in a number of speeches I have made in the past, in my own State of Massachusetts and on other occasions, and which I know President Kennedy supported, that there is reason for providing the special privilege for the small, independent kind of wildcatter, who is legitimately trying to find areas of oil production. Does the Senator from Wisconsin not agree?

Mr. PROXMIRE. Yes, indeed. He is the man who deserves and needs this assistance, because his risk is so great. He is the man who, if he does not have this kind of incentive, cannot afford to stay in the business.

On the other hand, the large operator is in a position to write off his losses against his gains, and when it gets to the corporations which receive three-quarters to 90 percent of the depletion allowance, these are the firms that have incomes of $100 million or more, they can compute precisely—they have computers to do it—and know what proportion of their wells will be dry, how many will yield and how much. So they do not need this kind of incentive.

Mr. KENNEDY of Massachusetts. So when we think of the wildcatter in the traditional sense, looking back over the history of the development of the oil industry, realizing the very useful contribution of these who have gone out and taken their chances in the wild areas of the West and the Southwest, and were truly interested in the development of the oil industry, we must conclude that they ought to be accorded the kind of special privilege to which the Senator refers.

As I understand it, the position of the Senator from Wisconsin is that this kind of special privilege should be continued for the small, independent wildcatter, in order to protect the national interest and to protect the small businessman, the individual, small company, or small corporation which is interested in the exploration and the development of oil resources?

Mr. PROXMIRE. Yes, indeed. That brings to mind an even more telling point, which is that because of the provision of the oil depletion allowance, the industry suffers from overinvestment, and from people who get into it, even with the notion that they may lose money in it, because they are in a position to write off such losses against their other income.

What does that do the small man for whom his modest oil business is all he has, and for whom his income is relatively modest? It means he has to compete with people who can afford to stay in the oil business to take losses. It seems to me that this overinvestment is most discouraging for him. It probably diminishes the exploration we would have if we had a depletion allowance scale of the kind I am suggesting in my amendment.

Mr. KENNEDY of Massachusetts. As I understand—and I ask the Senator from Wisconsin to correct me if I am wrong—what the Senator from Wisconsin is really proposing to the Senate is that the small, independent wildcatter, who is truly risking a substantial part of his capital in trying to develop and explore oil resources would receive the full benefit of the oil depletion allowance, but that the larger independent operator, company, or corporation, which is able

to spread the risk over a greater number of wells and a larger amount of capital would receive less and less of a depletion allowance on a sliding scale basis.

Mr. PROXMIRE. They would.

Mr. KENNEDY of Massachusetts. And the largest companies and corporations, if I understand the Senator from Wisconsin correctly, would still be able to deduct their losses in a way which is not dissimilar to that afforded larger companies and corporations in other American industries, and would still have some allowance for depletion, and the small independent operator would get an allowance appropriate to his situation, with the result that the interests of oil discovery and of the oil industry would be fully protected.

Mr. PROXMIRE. Yes. I think the Senator from Massachusetts has expressed it very well. What the amendment does, by a sliding scale method, is to provide that the smallest operators, those who gross $1 million or less, would receive the same depletion allowance they do now. Those in the middle position, grossing between $1 and $5 million, would have their depletion allowance reduced to 21 percent; and the big man would not have his depletion allowance wiped out, or even reduced 50 percent but would have it reduced from 27½ percent to 15 percent, so he would still have the special benefit, but there would be the opportunity for the small and middle-sized man to continue to exist along with those who have great income from other sources, and who get into the oil industry with their enormous advantage and tend to drive the little man out.

Mr. KENNEDY of Massachusetts. As I understand the proposal of the Senator from Wisconsin, he really proposes to update to the modern economy the strong feeling of the Senator from Wisconsin, which I share, that to the greatest extent possible, we should help and assist the small, independent wildcatter, the small company, and the small corporation; that the real initial reason that the oil depletion allowance was established was for exploration, and was in recognition of the fact that there were extraordinary kinds of risks involved in such exploration, but that actually today, in looking at the oil industry, there is very legitimate reason to reexamine in all its complexity what those in the industry are involved in, and that we should reconsider appropriate steps which we as Members of Congress can take in order to eliminate some of the inequities which currently exist.

Mr. PROXMIRE. Yes, indeed. It is very interesting, the way the Senator referred to the exploration. I think he made a most important point.

Look at the effect that the depletion allowance has had in Texas and in some of the other areas. They do not pump 30 days a month, they do not pump 20 days a month, they do not usually even pump 10 days a month; usually they pump something like 6, 7, or 8 days a month. That means they have an artificial restriction on the amount of pumping they can do, because we have too much oil, not too little. Overinvestment in the industry has resulted in real problems of price fixing and limitation of production, that plague the industry.

So the argument that could be made 40 years ago, when the oil depletion allowance was provided, that we desperately need more of this resource, it seems to me, cannot be supported by the facts today.

Mr. KENNEDY of Massachusetts. I welcome the discussion of the Senator from Wisconsin, because I think he has made an extremely important and constructive observation today.

In his statement this afternoon, as in years gone by, he has updated those of us in the Senate who are attempting to provide for the legitimate interests of the oil industry, and who are seeking to eliminate the kinds of inequities which some of us believe have multiplied because of the oil depletion allowance that is now in effect.

I believe that the proposal which has been made by the Senator from Wisconsin is extremely useful, and I indicate my complete support of it.

Mr. PROXMIRE. I sincerely thank the Senator from Massachusetts.

Mr. President, since the oil industry is legally enabled to reduce its taxes sharply, other industries, small businesses, and individuals, must make up the difference through higher taxes than they would otherwise pay if the oil industry carried its—to use the term again—"fair share," because of the exemption-status of the oil industry.

But the robbery goes even further than this. This Nation grows and prospers because of increased investment and the increasing effectiveness of the use of our resources. The oil industry, however, represents another world that lures investment funds. Therefore, instead of investment funds being used for the greatest gain of the Nation, these investment funds are attracted away from their most effective uses and toward the oil industry, which already has an excess of investment funds. This robs the Nation of a part of its economic growth.

It is not an accident that the greatest economist who ever served in this body, a former president of the American Economic Association, the man who wrote the definitive work on wages, former Senator Paul Douglas, was the principal Senate opponent of the present level of depletion allowance. It is no accident that he is the man who sponsored the amendment I now offer, in the past. He is a profound scholar and an extraordinarily able economist. He recognized not only the tax inequity, but also the waste of resources in allowing to exist a situation in which resources are poured into the industry excessively.

Again, let me make myself clear. Every businessman should be able to deduct his costs. Oil men, together with all businessmen, should do so. When the oil industry incurs depletion costs, it should deduct them. But businessmen in the oil industry, and in that industry alone, know that for every dollar of costs, they can obtain an average of $19 of deductions, according to Treasury Department statistics. By that I mean they write off oil wells, according to Treasury estimates, not once, not 10 times, but 19 times. It is like saying that a man who owns a piece of equipment for which he paid $1,000 can deduct $19,000 for depreciation.

I sincerely hope that the Senate will consider this amendment. As I have said, it has been offered in the past. But it is the kind of amendment, I think, that has particular merit because it represents an effort to break through the principal barrier against effective tax reform. That is the conspicuous injustice of the oil depletion allowance. This is making it difficult for Congress to close many other loopholes.

Mr. MILLER. Mr. President, I would like to respond briefly to the point of the Senator from Wisconsin concerning the depletion allowance itself.

I note that the pending amendment—and if I am wrong, I hope the Senator from Wisconsin will correct me—provides that the 27.5-percent percentage depletion will be continued in the case of those individuals or companies whose net profit is $1 million a year or less.

Mr. PROXMIRE. It would be continued for those who gross $1 million a year.

Mr. MILLER. And the 21-percent percentage depletion deduction would be allowed for those who gross between $1 million and $5 million. The 15-percent depletion deduction would be provided for those who gross more than $5 million.

First of all, I think that the gross income approach is terribly unfair.

The Senator from Wisconsin must certainly appreciate the fact that many distinctions exist among oil companies.

Mr. PROXMIRE. If the Senator will yield, certainly the net income approach would be impractical.

I pointed out that some of these firms have profits of $40 million, $50 million, and $60 million a year and do not pay any taxes because of the manner in which they are allowed with depletion allowances to compute their net income. They have all of these allowances and privileges. Unless we tie it in with the gross income, it would not be very meaningful.

Mr. MILLER. If I could suggest to the Senator from Wisconsin, he would not have to use the gross income approach, which is terribly inequitable. He could use the net income approach before the claimed depletion deduction.

This is what we have to do in order to compute a limitation of percentage depletion, which is 50 percent. I know, because I used to work out these schedules in my office.

I would first of all compute the net income of the corporation or the individual before the percentage depletion. I would then take half of that, 50 percent. I would then take 27.5 percent of the gross income—which is the approach of the Senator—and see which was lower.

Mr. PROXMIRE. May I ask the Senator what the depletion allowance is usually computed on, gross or net income.

Mr. MILLER. Mr. President, I would appreciate it if the Senator would let me complete my statement.

If the 50-percent figure were lower than the 27.5-percent figure, that is the deduction that we could take. The tax law specifically says that the deduction cannot exceed more than 50 percent of the net income.

The Senator would be far more fair if he would use a modified method of gross income approach rather than the straight gross income approach.

Mr. PROXMIRE. That would really complicate it. What is a depletion allowance based on? It is based on gross income.

Mr. MILLER. It is based on gross income up to a point.

Mr. PROXMIRE. That is true, but the depletion allowance is based primarily on gross income. It is based on gross income, with a formula that ties in to a modified extent, to the basic figure taken as the gross income figure.

Mr. MILLER. I would have to differ. In my experience there are innumerable instances—I would not say 50 percent of them, but at least one-third of them—when 50 percent of the net income was the formula we would use.

Mr. PROXMIRE. After all, then, does it not follow that we take the usual method which is, as the Senator has just stipulated and agreed in his debate, what prevails in two-thirds of the instances? Why not take the gross income as the true measure, the measure used in two-thirds of the cases, not one-third?

Mr. MILLER. That is done because the tax law has long recognized that such approach can work out to an inequitable amount of deductions. That is why 50 percent of the net income was put on the books by Congress.

I think that the Senator must recognize that the gross income approach, whether it be $1 million, $5 million, or more, is a very unfair approach to take, whether it involves oil companies or individuals.

For example, I wonder if the Senator realizes how much it costs to drill a 10,000-foot well. It costs at least $200,000 to $250,000 to drill such a well. Certainly those expenses ought to come off the gross income if we are going to try to do equity among corporations.

I could visualize a corporation with a $5 million a year gross business drilling several of these 10,000-foot wells and ending up with considerably less operating capital than a corporation doing a gross annual business of $3 million a year and not drilling any of these deep wells.

I suggest that the gross income approach to depletion allowance that decides whether a corporation or individual can take 15 percent, 21 percent, or 27.5 percent depletion allowance would be economically unsound.

The second point I make is that the Senator from Wisconsin deplores the fact that because percentage depletion deductions result in savings in income taxes for oil corporations and operators, it is necessary for the general taxpayer to pick up the tab and pay the difference.

We could make the very same argument with respect to the pending investment tax credit bill. We could make the very same argument with respect to the retention of percentage depletion deductions provided by the amendment of the Senator—15 percent, and 21 percent.

If we were to continue to allow such deductions, somebody would have to make up the difference.

I think that is a point that should not be overlooked.

I would like to point out that we are not operating in a vacuum here. These oil operators and U.S. corporations are not operating merely in the United States.

One of the major aspects of our foreign trade is our international petroleum operations. The major competitor in those operations is the Soviet Union.

How are we going to have our people meet that competition if we do not give them some kind of tax advantage? They do not have taxes on oil operations in the Soviet Union.

I venture to say that if the Senator from Wisconsin would explore this matter and see what the impact would be on our world competitive position, he would find that it would be disastrous. There are thousands and thousands of people who work for these oil companies and who would be thrown out of work if we were not able to meet the competition of the Soviet Union in the world petroleum market.

For that reason, I certainly think that this matter has to be gone into in much greater depth, and especially on the international scene, than the Senator from Wisconsin has seen fit to do in his argument.

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

Mr. PROXMIRE. I yield.

Mr. PEARSON. Mr. President, I recognize the uniqueness of this particular amendment. It is quite different from the traditional Williams amendment that is offered.

I do recognize the uniqueness of the amendment.

In its unique form it is generally and specifically an attack on the depreciation allowance. I am sure that the Senator is honored when I call it that.

Mr. President, as we consider the reinstitution of the investment tax credit we have a paradox with an amendment to this bill. One the one hand we would return to general industry a 7-percent credit on new investment and with this amendment we would deny the oil industry a similar type investment credit.

The 27½-percent depletion allowance has been a part of our basic tax law for some 40 years. When Congress first provided for the depletion allowance in 1926 they recognized that capital assets are consumed in the production of petroleum. The 1926 provision was a change over earlier more complicated regulations for depletion allowance and established a deduction of 27½ percent on the gross sum received from the sale of crude petroleum.

Exploration and the discovery of new reserves has been declining in this country during the past 5 years and to eliminate the depletion allowance at this time would further tend to destroy what reserves we now have.

While independent producers as a group invested some 79.6 percent of the wellhead value of their production in exploration-development expenditures in 1951–55, this ratio dropped to only 45.3 percent in the 5-year period from 1961 through 1965. Even with this decrease, some $38 billion went into seeking, finding, and producing oil and natural gas in the past 10 years.

Profit margins have been dropping in recent years and although the depletion allowance aided somewhat in recovery of investment capital, the incentive was not there to drill on an active basis.

When this amendment comes to a vote, we must decide whether we are actually improving the Federal tax structure by reducing a tax deduction or whether we are actually voting on an amendment which satisfies someone's political philosophy.

There is no evidence to justify a change from the present 27½ percent depletion allowance. The political philosophy which would change this allowance seeks only to reallocate income.

A decrease in the depletion allowance would actually mean an increase in taxes for oil companies and independent producers. These increased taxes would decrease the supply of capital available for finding new reserves resulting in inadequate supplies of oil and gas in this country.

The cost of exploration and development of oil companies in the United States presently amounts to $5 billion annually. As the exploration drops, however, the demand continues. It is estimated that by 1980, the Nation's petroleum consumption will be 17.5 million barrels daily or some 66 percent more than 2 years ago.

Exploration will be one of the most important keys in the availability of these new petroleum products for this anticipated increased consumption. Economists report that it will be necessary to locate in the period 1967–80 new oil fields which will provide as much oil as has been produced in the United States in the last century.

Such requirements cannot be met if the only capital investment incentive remaining to the oil industry is struck a mortal blow.

To maintain a discovery rate, those familiar with the oil business know the risks involved. Due to the circumstances involved in exploration and development, the investment process in petroleum production is quite different from that encountered in manufacturing enterprises and trade. For example, the average profits of oil companies in 1965 were only 11.9 percent of investment which is somewhat lower than the 13.8 percent average return on investment for manufacturing companies.

To replace the oil which has been discovered in the past 100 years in this country will require tremendous exploration on the part of all oil companies and independent producers as well.

While oil is found in one out of every nine wildcat wells drilled, if the marginal

and unprofitable discoveries are excluded, the chance ratio drops from one in nine to about one in 32 wells drilled.

Only one out of 600 exploratory wells finds a field as large as 50 million barrels of oil or the equivalent in gas. And we must remember that present weekly consumption of oil amounts to more than 50 million barrels.

Mr. President, we must recognize that the petroleum producing industry is indeed a unique industry, and we must continue to recognize this fact in the adaptation of tax laws such as the 27½ percent depletion allowance.

This allowance is so infinitely deployed throughout the oil industry that any manipulation of present tax structures could create depressed conditions and a poverty in petroleum never before realized.

I must strongly urge therefore, that we defeat this amendment to reduce the depletion allowance on oil and gas investments and refrain from any attempt to create imbalances in an intricate financial structure which has served this country for years by providing the necessary petroleum products to keep transportation and machines in operation.

Mr. PROXMIRE. Mr. President, this is not an attack on the depletion allowance. It would reduce the allowance.

If I felt the allowance was a completely bad thing, I would put in an amendment to eliminate that allowance, but I am not doing so.

Mr. JAVITS. Mr. President, I wish to say to the Senator from Wisconsin that I am sympathetic to what he is trying to do. We all realize it may not be done now, but the Senator renders a great national service in fixing attention on the validity of the depletion allowance in oil, as matters stand now.

Every time you ask people about an unfair tax break, in almost any direction, they will immediately throw up to you the fact of the several billion dollar oil depletion which has been on the books for so long and which is so unfair. It sort of opens the door to anything, if that is what you are going to pull in the national establishment.

Undoubtedly, that is too sweeping, but nonetheless it does indicate a deep national disquiet as to the validity of this particular operation in taxes.

I believe the situation needs to be changed, and I believe that the Senator from Wisconsin has rendered us all a fine service in studiously calling attention to the fact that this is unfinished business for the Nation.

I have no doubt that if this kind of situation continues, we will, in much less time than it has existed so far, make a change.

The Senator from Delaware [Mr. WILLIAMS] has been a leader in this field for a long time. I have always voted with him, and I express my sympathy with what is the educational activity being undertaken.

Mr. PROXMIRE. I greatly value the support of the Senator from New York. He is the ranking minority member of the Joint Economic Committee. He has again and again shown his superb knowledge of economics, and his support in this matter is most encouraging and most helpful.

Mr. WILLIAMS of Delaware. I join the Senator from New York in paying respect to the Senator from Wisconsin for the job he has done this afternoon.

I believe the time is rapidly approaching when there will be a revision in the present depletion rates of some of these industries. It is long overdue. At the appropriate time—perhaps today may not be the time—I shall be glad to join the Senator from Wisconsin and others in an effort to try to get some basis of equality in the method of taxation.

Mr. PROXMIRE. The Senator from Delaware is the ranking minority member of the Committee on Finance. He does a remarkable job again and again on all matters that come before the Senate on taxes and on finance, and I greatly value his support.

Mr. HARRIS. Mr. President, I rise to speak for my State and its interests, as does the Senator from Wisconsin when he talks about the interests of the dairy industry and as does the Senator from Massachusetts when he speaks for the shoe industry.

If percentage depletion is wrong, then it is wrong for every company and individual now coming under this tax provision—whether the gross income is $1 million per year or $5 million per year. If percentage depletion is wrong, then it is wrong for every company and individuals, and any industry now entitled to this provision—whether it be a producer of oil in Oklahoma or of iron ore in Minnesota or Wisconsin or of lead in Missouri or zinc in Tennessee. There is no need to dwell on the simplest distortions that this amendment would produce, as, for example, the fact that an oil compnay in one arbitrarily chosen income bracket would have its depletion deduction scaled down to 15 percent—below the level for some 40 other minerals like lead, zinc, bauxite, and a number of clays.

We are not playing games with trifles here, Mr. President. This measure would effect the fuels—oil and natural gas—that provide fully 75 percent of this Nation's energy. These are the fuels that are basic to our national defense and to the free world security. These are the fuels that we know will be needed in tremendous quantities for as many decades as we can see in the future.

Responsible national policy would call for doing all we can to encourage, to stimulate the needed, intensified search for oil and natural gas.

Why did Congress adopt percentage depletion, and its immediate forerunner, discovery depletion? We know there were two basic motives:

First, Congress was recognizing that the oil in the ground, as well as any other mineral deposit, constitutes the producer's capital. Congress wanted to avoid taxing that capital as if it was part of the producers income. And this principle of not taxing capital as income stands as just, regardless of the producers gross income.

Second, Congress also knew that by this treatment of mineral producers it would be letting them retain some of the funds they need to take the high risks of searching for new reserves to replace those being depleted by production.

In the case of oil and gas, Congress recognized that this was especially of importance because of the extraordinary risks involved in the search for new reserves. This risk is present whether the company doing the hunting is a major, nationally known petroleum corporation, or a one-man wildcatting adventure. It is just as hard for the biggest company to find oil as it is for the smallest and no amount of money can eliminate that risk. Oil in the ground shows no favoritism. It plays "hard to get" for the big company as well as the small.

And the fact stands—whether this amendment recognizes this fact or not—that of every 100 wildcat wells drilled in search of new fields, only three—on the average—will find oil or gas in commercial quantities. These are the basic statistics. They apply regardless of how much money the wildcatter may have in the bank.

Congress recognized these facts when it adopted the depletion laws—first the discovery value law and then the more workable and efficient percentage depletion law we have today.

Here is another fact about the oil industry which this amendment does not recognize: Even when a small company does the actual exploratory drilling, very often a significant part of that company's costs have been borne by a major firm. A smaller company goes down on the record as a wildcatter, but the larger firm puts up a big part of the financing which would not be available from any other source. Banks do not lend money for wildcat wells.

The amendment would also discourage an important conservation activity: Unitized operation of properties. In such operations, under this amendment, the various participants would have different depletion rates—rates that had no logical or equitable basis. These discriminatory variations would make it uneconomic for many firms to participate in such unitized programs—and the Nation and the consuming public would be the big loser.

Mr. President, the distinguished senior Senator from Oklahoma [Mr. MONRONEY] has done much research work in this important field during the 20-odd years that he has served as a Member of Congress. A statement prepared by him for this occasion points out that our natural resources policy does not single out oil and gas for unique privilege and that there are over 100 other extracted minerals to which the present depletion allowance law applies, and he lists them in the statement he has prepared.

Furthermore, Senator MONRONEY calls attention to a recent speech by Secretary of the Interior Udall, in which it was said that the United States would consume more petroleum hydrocarbons during the next 14 years than it had in all the 107 years of the oil industry's existence.

The statement by Senator MONRONEY

further calls to the attention of Members of the Senate that the amendment under consideration imposes a penalty for success and is a depressant to new growth and development.

Senator MONRONEY states:

The $1 million gross income figure, on its face, seems very large and would appear to allow many producers to retain the benefit of the current 27½% rate. But at $3 a barrel, it would take only about 333,000 of oil to throw a small producer over the $1 million gross income mark and thereby reduce his depletion rate to 21%. The net profit which would be required to exceed the $1 million figure would amount to only $83,000, since the average net profit on a barrel of oil is 25¢.

I ask unanimous consent that the entire statement of Senator MONRONEY and the attachments thereto be printed at this point in the RECORD.

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

STATEMENT BY SENATOR MONRONEY

The depletion allowance has in one fashion or another been a part of our basic national policy on natural resources since the imposition of the federal income tax; a policy designed to develop and conserve our natural resources; a policy recognizing the necessity to maintain self-sufficiency in energy minerals; a policy designed to provide cheap and readily available petroleum products and other sources of energy to the American public.

The depletion allowance assigns a value to the capital which is being used up and cannot be replaced. It has been in effect continuously through the administrations of nine presidents. Both Republican and Democratic Congresses over the years have recognized its importance.

The depletion allowance provides the incentive which investors need for taking the substantial risk of investing in an oil and gas venture. The depletion allowance is higher than the allowance on other minerals, because the risk of failure is greater and the capital required is higher. Only one out of every 32 domestic exploratory wells drilled produce oil or gas in profitable quantities. Nine out of every 10 wildcat wells drilled still result in dry holes.

Our natural resources policy does not single out oil and gas for unique privilege. There are over 100 other extractive minerals to which the depletion allowance applies.

PERCENTAGE DEPLETION RATES FOR MINERAL PRODUCTION

Since 1926, the Internal Revenue Code has authorized percentage depletion at a 27½% rate for oil and gas wells. This rate is applied to the gross income from the wells, subject to a 50% of net income limitation.

During the decades that percentage depletion has been a part of the revenue laws, it has been extended to almost all other U.S. minerals at rates ranging from 5 to 23% of gross income from the mineral producing property, as follows:

*Twenty-three percent depletion applies to these minerals*

Antimony
Anorthosite (to extent alumina and aluminum compounds extracted therefrom)
Asbestos
Bauxite
Beryl
Bismuth
Cadmium
Celestite
Chromite
*Clay (to extent alumina and aluminum compounds extracted therefrom)
Cobalt
Columbium
Corundum
Fluorspar

*Twenty-three percent depletion applies to these minerals*—Continued

*Graphite
Ilmenite
Kyanite
Laterite (to extent alumina and aluminum compounds extracted therefrom)
Lead
Lithium
Manganese
Mercury
Mica
Nephelite Syenite (to extent alumina and aluminum compounds extracted therefrom)
Nickel
Olivine
Platinum
Platinum Group Metals
Quartz Crystals (Radio Grade)
Rutile
Block Steatite Talc
Sulphur
Tantalum
Thorium
Tin
Titanium
Tungsten
Uranium
Vanadium
Zinc
Zircon

*Fifteen percent depletion applies to these minerals*

Aplite
Barite
Bentonite
Borax
Calcium Carbonates
*Clay, Ball
*Clay, China
*Clay, Refractory & Fire
*Clay, Sagger
Copper
Diatomaceous Earth
Dolomite
Feldspar
Fullers Earth
Garnet
Gilsonite
Gold
Granite
*Graphite (Flake)
Gypsum
Iron Ore
Limestone
Magnesite
Magnesium Carbonates
Marble
Metal Mines (not otherwise named)
*Mollusk Shells (when used for chemical content)
Molybdenum
Phosphate Rock
Potash
Quartzite
Rock Asphalt
Silver
*Slate
Soapstone
*Stone (dimension or ornamental)
Talc
Thenardite
Tripoli
Trona
Vermiculite
Other minerals not covered elsewhere

*Ten percent to these minerals*

Brucite
Coal
Lignite
Perlite
Sodium chloride
Wollastonite

*Five percent to these minerals*

*Clay (used for drainage and roofing tile, flower pots, etc.)
Gravel
*Mollusk shells
Peat
Pumice
Sand
Scoria
*Shale
*Stone
If from brine wells—bromine, calcium, chloride, magnesium chloride

*Seven and one-half percent to these minerals*

*Clay and shale (used for sewer pipe or brick)
*Clay, shale, and slate (used as lightweight aggregates)

DEMAND FOR PETROLEUM PRODUCTS

Petroleum production still supplies 75 percent of the energy used in the United States.

In order to maintain a safe ratio of crude oil reserves to consumption of 12 to 1, a 1965 Interior Department study estimated that 90 billion barrels of liquid petroleum must be added to proved reserves between 1964 and 1980. At least 584 trillion cubic feet of natural gas will have to be added.

Secretary Udall in a recent speech said that the United States would consume more petroleum hydrocarbons during the next 14 years than it had in all the 107 years of the oil industry's existence.

The February 1967 issue of the Chase Manhattan Bank's Oil Report had the following comment on Secretary Udall's statement:

"In an appearance before the National Petroleum Council—the Secretary of the Interior outlined the Nation's future needs for petroleum. The domestic industry, if it maintained current reserve-production ratios and did not resort to proportionately more oil imports, would need to find between 1965 and 1980 an annual average of 5.5 billion barrels of new oil reserves and 30 trillion cubic feet of natural gas, he said. Our own studies confirm these projections. But, as the Secretary further stated, the industry has never before found that much. *Indeed, over the past decade it has found little more than half as much.* And, as a result, reserve-production ratios have fallen. Why has the industry not found more? Various economic factors might be cited, but for the most part they fall under one heading: *a lack of financial incentive.* This is forcefully demonstrated by the industry's pattern of capital spending. There is a definite relationship between the money spent to find new reserves and the amount actually found. To find more obviously calls for higher capital expenditures. But the industry has not increased spending in line with indicated requirements—it has actually reduced its outlay instead. *Clearly, the incentive to spend more was lacking.*"

In 1958 recoverable reserves of liquid hydrocarbons (crude oil plus natural gas liquids) equalled 13½ times annual consumption. At the end of 1965 the ratio was 12.1. By the end of 1966 it had dropped to 11.5. If crude oil reserves alone are looked at, the decline between 1965 and 1966 is even more severe. The crude oil reserve ratio dropped from 11.7 at the end of 1965 to 9.8 at the end of 1966.

I ask unanimous consent to have printed in the RECORD an excellent article which appeared in the April 3 edition of the Christian Science Monitor, entitled "U.S. Reminded To Reconsider Oil and Gas Policies":

"[From the Christian Science Monitor, Apr. 3, 1967]

"IMPORT QUOTAS, TAX INCENTIVES NOTED: UNITED STATES REMINDED TO RECONSIDER OIL AND GAS POLICIES

"(By David R. Francis)

"NEW YORK.—Within the next few years, the United States will need to reconsider its crude-oil and natural-gas policies. Indeed, in the view of some oil economists, the sooner the better.

"In the political furnace, oil and gas burn at a high temperature. The power of domestic crude producers to influence Congress is well known.

"However, the economic facts are pressing for reexamination of such touchy matters as import quotas, tax incentives, and compulsory unitization of oil fields.

"Figures on oil and gas reserves at the end of 1966, just released by the American Petroleum Institute and American Gas Association, confirm this need.

"The nation's proved recoverable reserves of liquid hydrocarbons at the end of 1966 are estimated at 39.781 billion barrels. This is an increase of 405 million from 1965.

"That looks healthy. But a closer look shows a trend of long-range concern.

"Much of the gain in crude reserves occurred on the West Coast and Alaska. These form a separate oil market from the area east of the Rockies. Not much oil flows over the mountains.

"RESERVES DROP

"East of the Rockies, the crude reserves dropped 100 million barrels.

*Note differing rates, depending on use. Except for sulfur and uranium, all minerals in the 23 percent bracket have a 15 percent depletion rate for foreign production.

"In addition, the ratio of annual production to reserves has been declining.

"In 1958 the United States had enough proved recoverable reserves of liquid hydrocarbons (crude oil plus natural-gas liquids) to last 13.5 years at the then current rate of production. By the end of 1966, this ratio had dropped to 11.5. Reserves had gone up. Production, though, went up even faster.

"At the end of 1965, the ratio was 12.1.

"The decline between 1965 and 1966 is even worse looking at crude-oil reserves alone. There the ratio dropped from 11.67 to 9.8.

"This doesn't mean that in 11.5 years the United States will run out of crude and hydrocarbons. New wells will be drilled, new discoveries made, new reserves established. It is unlikely that all wells, present and future, will dry up within the current average life span.

"SIMILAR PICTURE

"The decline in the production-reserve ratios does mean that new energy policies will become necessary.

"Adds John H. Lichtblau, research director of the Petroleum Industry Research Foundation, Inc: 'There is no evidence that this decline has come to a halt.'

"In natural gas, the picture is similar.

"Gas reserves advanced to 289.3 trillion cubic feet during 1966. This is up only 2.86 trillion cubic feet.

"Production increased a trillion cubic feet to 17.49 trillion cubic, a larger gain than in any previous year.

"This meant that the ratio of production to reserves dropped from 17.6 at the end of 1965 to 16.5 at the end of 1966. It was 22 in 1958 and has been declining ever since.

"If it were to decline much more, investors might become chary of making long-term investments in pipelines.

"A recent study by Mr. Lichtblau clarifies the problem for crude oil.

"Between 1965 and 1980, the study finds, United States oil producers must lift 61 billion barrels of crude oil out of the ground. This is necessary to meet an annual growth rate in oil demand of 2.7 percent in those years. Total United States energy requirements are projected to grow slightly faster at 3 percent.

"PRODUCTION TARGET SET

"Simultaneously, oil firms must develop gross reserves of almost 80 billion barrels just to stay even with the production-reserve ratio of 1965. They fell behind last year.

"By 1980, this means daily crude-oil production of 13.2 million barrels a day. By comparison, 8.9 million barrels were produced each day last year.

"In short, the United States is faced with a 51 percent hike in its total crude-oil requirements above and below ground for the next 15 years just to hold its own.

"Some idea of the magnitudes involved can be seen from history. In the 107 years since the drilling of the first oil well at Titusville, Pa., the United States has produced about 80.6 billion barrels. To stay even over the next 15 years, new reserves of the same amount must be found.

"It won't be easy. It may not be wise.

"Costs of finding and getting oil out of the ground have been rising. Oil reserves found per wildcat well drilled have declined steadily in recent years.

"IMPORTED CRUDE LIMITED

"In 15 years, the electric car is unlikely to replace the gasoline-powered vehicle. Nor are the huge reserves in the oil shales likely to become a major factor in that period.

"Possible solutions may be unpopular in Congress.

"For one thing oil-import quotas could be hiked. Imported crude now is limited to 17 percent of total refinery production.

"If more crude was imported from the Middle East, where production-reserve ratios may run as high as 40 years, domestic production wouldn't have to grow so fast. But domestic wells are already restrained from producing at full capacity. And the domestic oilmen don't like it. It might depress prices as well.

"At some point, too, the matter of national security enters. If imported oil becomes a larger factor in the supply, what is the danger of its being cut off?

"This danger is not so real in the case of Canadian oil. It is not included in the quotas. But the growth of Canadian imports is limited informally.

"The Athabaska tar sands and the recent new Rainbow field offer huge North American reserves. Domestic United States producers, however, again don't want Canadian crude imports to expand rapidly.

"Another possible solution would be to improve further the economic incentives to finding more oil in the United States. These are already extraordinary because of special tax advantages. The oil industry, though, would like even more encouragement to wildcat for oil.

"A final possibility is to improve the efficiency of present fields. Too many wells often reduce the amount of oil that can be extracted from a field. Compulsory unitization could improve yields in some cases.

"Perhaps a mixture of all these measures may be required. Nor should the government wait too long.

"If it procrastinates, the United States will have to launch what Mr. Lichtblau describes as a 'crash program' to get the oil needed."

The article points out the serious problems facing the petroleum industry today and concludes that our present oil and gas policies must be reconsidered. One solution to the current crisis mentioned by the correspondent, and I quote, "would be to improve further the economic incentives to finding more oil in the United States." This is hardly the time to decrease the present incentive.

Investment capital in excess of $5 billion a year will be needed for exploratory drilling to find these needed reserves.

PETROLEUM INDUSTRY EARNINGS

Even with the depletion allowance oil company earnings have been less than that of other United States industries.

In 1964 the petroleum industry had a rate of return on invested capital of 11.6%. Manufacturing companies for that year had a return of 12.7%. In 1965 the rates of return were 11.9 and 13.8, respectively.

This has been a historical trend. During the time span between 1955 and 1965 the petroleum industry rate of return was 9.5%, while the return for the manufacturing industry was 10.6%. Oil earnings were lower in each of the 11 years.

During the economic boom of the late 50's and throughout the 60's the petroleum industry has not fared as well as the economy as a whole. Using the 1957–59 time span as the base:

| | Percent |
|---|---|
| Industrial production was up | 56.3 |
| Employment was up | 14.2 |
| Wholesale prices were up | 6 |

At the same time in the petroleum industry:

| | Percent |
|---|---|
| Oil prices were down | 2½ |
| Employment (in producing) was down | 15 |
| Drilling exploratory wells was down | 25 |

OIL AND GAS EXPLORATION

In 1957 we had a high water mark in exploratory drilling—with 14,707 wells. The next year the figure was down to 13,199 wells and the decline continued. In 1963 it was down to 10,664, and in 1955 down again to 9,466. Last year showed a slight pickup—with 10,188 exploratory wells drilled. We hope this upward trend will continue—and even show a really sharp rise. But, of course, if this amendment should be adopted, exactly the opposite would happen. Exploratory drilling would go into a real tailspin.

And that would hurt the oil industry, to be sure. It would hurt the economies of the oil producing states, to be sure. It would hurt employment. It would hurt the industries that do business with oil producers—steel, cement, chemical, and others. But the people who would be hurt most over the long run would be this nation's consumers—the men and women who depend on oil producers—on the outcome of exploratory drilling—for their future supplies of petroleum products and natural gas.

I ask unanimous consent to have printed in the RECORD at this point a table showing the number of exploratory wells drilled from 1957 through 1966.

*Number of exploratory wells drilled by years*

| | |
|---|---|
| 1957 | 14,707 |
| 1958 | 13,199 |
| 1959 | 13,191 |
| 1960 | 11,704 |
| 1961 | 10,992 |
| 1962 | 10,797 |
| 1963 | 10,664 |
| 1964 | 10,747 |
| 1965 | 9,466 |
| 1966 | 10,118 |

The figures on total well completions are also revealing. They show that the petroleum industry is in no position economically to be the target of a measure that would retard its activity.

In 1957 well completions reached a high of 55,024. The next year this figure had dropped to 50,039. By 1962 it was down to 46,179 and in 1963 it slid still further to 43,653 wells. After a slight pickup from that drop, well completions went into a new low for the period last year—with a total of only 36,628 wells.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point tables showing the number of total well completions from 1957 through 1966, the decline in the number of employees in the crude petroleum and natural gas production industry during the same period of time, and the decline in the geophysical activity in the United States from 1960 to 1965.

*Total well completions by years*[1]

| | |
|---|---|
| 1957 | 55,024 |
| 1958 | 50,039 |
| 1959 | 51,764 |
| 1960 | 46,751 |
| 1961 | 46,962 |
| 1962 | 46,179 |
| 1963 | 43,653 |
| 1964 | 45,236 |
| 1965 | 41,432 |
| 1966 | 36,628 |

*Employees in crude petroleum and natural gas production industry*

| | |
|---|---|
| 1957 | 344,000 |
| 1958 | 327,500 |
| 1959 | 329,500 |
| 1960 | 309,200 |
| 1961 | 303,100 |
| 1962 | 298,000 |
| 1963 | 289,200 |
| 1964 | 291,100 |
| 1965 | 288,100 |
| 1966 | 282,600 |

[1] Source: U.S. Bureau of Labor Statistics.

*Geophysical activity in the United States, 1960–65, crew-months worked*

| | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 |
|---|---|---|---|---|---|---|
| Alabama | 26.0 | 41.0 | 55.0 | 35.0 | 45.0 | 84.8 |
| Alaska | 56.0 | 83.0 | 67.5 | 109.0 | 113.0 | 69.5 |
| Arizona | 38.0 | 29.0 | 15.0 | 34.3 | 91.0 | 14.9 |
| Arkansas | 23.0 | 60.0 | 43.9 | 7.5 | 36.0 | 30.2 |
| California | 146.0 | 119.0 | 94.0 | 89.0 | 112.0 | 118.5 |
| Colorado | 159.0 | 154.0 | 120.0 | 59.7 | 39.0 | 33.6 |
| Florida | 11.0 | 8.0 | 4.5 | 7.0 | 13.0 | 42.7 |
| Georgia | 13.0 | (1) | (1) | (1) | (1) | (1) |
| Illinois | (1) | (1) | .5 | 1.2 | 3.0 | 7.3 |
| Indiana | 7.0 | (1) | (1) | .3 | 5.0 | 11.0 |
| Iowa | (1) | (1) | (1) | (1) | 2.0 | (1) |
| Kansas | 123.0 | 85.0 | 27.9 | 48.8 | 50.0 | 17.5 |
| Kentucky | (1) | 8.0 | 3.5 | 1.5 | 3.0 | 15.7 |
| Louisiana | 816.0 | 785.0 | 644.0 | 626.0 | 746.0 | 728.3 |
| Maryland | (1) | (1) | 2.0 | 1.0 | 3.0 | 2.3 |
| Michigan | 101.0 | 40.0 | 37.6 | 29.3 | 23.0 | 34.2 |
| Mississippi | 415.0 | 253.0 | 203.5 | 239.5 | 257.0 | 155.4 |
| Montana | 97.0 | 129.0 | 118.7 | 180.5 | 102.0 | 108.8 |
| Nebraska | 43.0 | 76.0 | 46.7 | 5.6 | 1.0 | 1.0 |
| Nevada | (1) | 21.0 | 11.6 | (1) | 11.0 | 4.0 |
| New Jersey | (1) | (1) | (1) | (1) | 1.0 | (1) |
| New Mexico | 319.0 | 311.0 | 298.6 | 302.3 | 213.0 | 134.9 |
| New York | (1) | 16.0 | 20.4 | 6.9 | 8.0 | 10.9 |
| North Carolina | (1) | (1) | (1) | (1) | 9.0 | (1) |
| North Dakota | 81.0 | 44.0 | 47.5 | 38.7 | 36.0 | 54.3 |
| Ohio | (1) | 9.0 | 31.2 | 97.9 | 337.0 | 154.8 |
| Oklahoma | 253.0 | 286.0 | 226.5 | 251.5 | 224.0 | 197.3 |
| Oregon | 7.0 | 25.0 | 11.0 | 15.0 | 20.0 | 2.5 |
| Pennsylvania | 32.0 | 30.0 | 23.1 | 18.8 | 25.0 | 16.3 |
| South Dakota | 12.0 | 4.0 | 9.9 | 19.2 | 8.0 | 2.5 |
| Texas | 1,858.0 | 1,888.0 | 1,664.4 | 1,644.4 | 1,633.0 | 1,411.3 |
| Utah | 302.0 | 228.0 | 145.9 | 195.3 | 56.0 | 42.5 |
| Virginia | (1) | 6.0 | 2.0 | 3.5 | 27.0 | .6 |
| Washington | (1) | 8.0 | 8.5 | 8.0 | 5.0 | (1) |
| West Virginia | 21.0 | 20.0 | 24.5 | 23.3 | (1) | 25.1 |
| Wyoming | 229.0 | 249.0 | 221.6 | 172.5 | 140.0 | 155.6 |
| Other | 19.0 | 9.0 | (1) | 1.5 | 9.0 | 12.0 |
| Total United States | 5,207.0 | 5,024.0 | 4,231.0 | 4,174.0 | 4,406.0 | 3,700.3 |

[1] Not available.

Source: Society of Exploration Geophysicists.

BENEFITS TO THE CONSUMER

An hour's work today will buy 8½ gallons of gasoline—3½ times as much as in 1926 and 30% more than in 1956. This is including gasoline taxes, both federal and state, which have risen substantially in the past 20 years.

Excluding gasoline excise taxes, an hour's work today will buy five times as much as it would in 1926.

Yet the average price which oil companies get for a barrel of crude was down to $2.86 in 1965 from $3.01 in 1958.

A study by the Chase Manhattan Bank shows that the cost of gasoline to the average American costs only 38¢ per day in 1966. This was actually lower than the price of gasoline 10 years earlier. Other consumer prices rose by 20% in that decade. State and federal taxes on gasoline increased 27%.

If gasoline prices had risen in line with consumer prices, gasoline would be four cents per gallon higher than it was in 1966.

PETROLEUM INDUSTRY TAXES

The petroleum industry pays roughly 5% of its total gross revenue in federal, state and local taxes. This compares to a 4½% average for other U.S. corporations.

The total tax bill of the petroleum industry is $2 billion a year, broken down as follows:

[In millions]

| | |
|---|---|
| Federal income | $490 |
| State | 630 |
| Local | 480 |
| Other | 400 |
| Total | 2,000 |

In addition to these direct taxes, motor fuel sales and excise taxes are $6.5 billion a year. This results in a total tax burden on oil and gas of $8.5 billion a year—24% of total gross revenues.

CONSEQUENCES OF DEPLETION REDUCTION

The facts prove that an increase in investment in the oil industry is desperately needed, not a reduction in investment. The pending amendment would drastically reduce the amount of new capital funds available for investment. It would amount to a flat cut in the 27½% rate because the lowest rate of 15% would apply to about 95% of the total oil and gas production. This is a reduction of 45½% in the amount of depletion allowable.

Probably the greatest objection to the amendment is that it would allow the 27½% rate to the very taxpayers who are least likely to reinvest in new exploration—those taxpayers whose income from oil and gas is less than $1 million. It would reduce to 15% the depletion to the very taxpayers who reinvest not only the funds available from depletion, but twice as much again. It can result in only one of two things—in a reduction in the investment for new exploration, or a substantial increase in the price of petroleum products. Neither alternative is acceptable, for we must find the new reserves so important to our country, and we must continue to make petroleum products available for the people at the lowest possible cost. Our strength as an industrial nation rests heavily on our adherence to these two objectives. We must remain self-sufficient at home and never have to depend upon foreign sources for our energy requirements.

The amendment imposes a penalty for success and is a depressant to new growth and development. The $1 million gross income figure, on its face, seems very large and would appear to allow many producers to retain the benefit of the current 27½% rate. But at $3 a barrel, it would take only about 333,000 barrels of oil to throw a small producer over the $1 million gross income mark and thereby reduce his depletion rate to 21%. The net profit which would be required to exceed the $1 million figure would amount to only $83,000, since the average net profit on a barrel of oil is 25¢. The amendment will reduce the depletion rate for a substantial number of the small independent producers upon whom the major oil companies rely for most of the drilling and exploration work necessary to the discovery of new deposits.

It will result in complete confusion and uncertainty with respect to those small independent producers whose annual gross income borders on either $1 million or $5 million a year. These producers will never know at the beginning of a year what percentage rate of depletion will be applicable to them based on the earnings they will make during the year, which will not be known until after the end of the year. Tax considerations are vitally important in business decisions. These small producers cannot make sound business judgments when the tax effect on such judgments is completely unknown.

Mr. President, I am firmly convinced that the adoption of any of the proposals to reduce the depletion allowance will result in an increase in the price of petroleum products to the consumer and a drastic reduction in the capital funds expended in the search for new reserves. This would be contrary to our historic policy on natural resources, which has provided cheap and abundant sources of energy to the citizens of this nation. The strength of this nation has been built on that policy. Unless our resources are taken out of the ground, they have no value to us, and unless we find new deposits of resources and make them available at low cost, our strength will decline. Our natural resources policy has served us well in peacetime and in war. The proposals to amend the depletion allowance represent a fundamental change in that policy, and if adopted, would be detrimental to the national interest and the individual interest of every citizen of the United States. It is a tribute to the Congress that it has rejected these proposals in the past. I am confident that it will do so again.

In conclusion, Mr. President, I cannot see how the Senate can act to reverse a policy which has been so successful. Forty-one years ago after much frustration Congress determined exactly how the rate of the depletion should be calculated. This was a result of the House-Senate compromise. One body wanted 30% and the other 25%. They split the difference and we have had the 27½% depletion allowance ever since.

This proved to be a happy choice. Under this the United States has become preeminent in the discovery and production of oil and gas. Our exploration here at home, and more recently abroad in foreign lands, has proven the wisdom of making this allowance. At the present time this allowance provides the $1 billion a year needed to support $4 billion in new exploration activity.

At the time when our reserves are declining and our exploratory activity has been drastically reduced, the cost of drilling has risen substantially. The amendment proposed today would have the simple effect of raising drastically another cost—taxes—on an industry that now is in a domestic recession. Today we have to drill deeper to get less. We have to spend more to get less profits back.

It is strange than an attempt is being made to tag this amendment on a bill designed to encourage investments. The amendment would strike a body blow to the most important and needed fuel resource in the United States.

We have fought two world wars and two lesser wars in this century with power supplied by oil. We have been able to satisfy the energy requirements of a record breaking productive economy.

Now oil industry costs are beginning to outrun oil production gains. Thin oil sands at deeper strata have resulted in scarce production. We have become increasingly reliant upon imported oil, much to the peril of our domestic producing industry.

Today we are asked to make a major change in our 41-year old natural resources policy on the floor of the Senate without committee hearings, committee study, or committee recommendations. This is not the manner in which to arrive at sound legislation.

Every year for the 29 years I have been in Congress, depletion has been attacked in one form or another. I defend it today as I have every time it has been attacked and will

continue to do so as long as I am permitted to remain in this body.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was rejected.

Mr. HART. Mr. President, I ask unanimous consent to have printed in the RECORD, a table prepared by the Gasoline Letter.

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

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

*20 largest oil companies Federal tax, 1962–65*

| Rank in size | Year | Net income | Federal tax | Percent | Foreign, some States' tax | Percent | Income after tax | Percent |
|---|---|---|---|---|---|---|---|---|
| Standard (New Jersey) | 1962 | $1,271,903,000 | $8,000,000 | 0.6 | $423,000,000 | 33 | $840,903,000 | 66 |
| | 1963 | 1,584,469,000 | 69,000,000 | 4.3 | 496,000,000 | 31 | 1,019,469,000 | 64 |
| | 1964 | 1,628,555,000 | 29,000,000 | 1.7 | 549,000,000 | 33 | 1,050,555,000 | 64 |
| | 1965 | 1,679,675,000 | 82,000,000 | 4.9 | 562,000,000 | 33 | 1,035,675,000 | 62 |
| Texaco | 1962 | 546,371,000 | 13,000,000 | 2.3 | 51,700,000 | 9 | 481,671,000 | 88 |
| | 1963 | 615,768,000 | 10,250,000 | 1.6 | 58,850,000 | 12 | 545,668,000 | 88 |
| | 1964 | 660,761,000 | 5,500,000 | .8 | 77,900,000 | 11 | 577,361,000 | 87 |
| | 1965 | 726,198,000 | 10,000,000 | 1.3 | 79,500,000 | 11 | 636,698,000 | 88 |
| Gulf | 1962 | 488,351,000 | 19,389,000 | 3.9 | 128,871,000 | 26 | 340,091,000 | 70 |
| | 1963 | 540,065,000 | 30,870,000 | 5.7 | 137,842,000 | 25 | 371,353,000 | 68 |
| | 1964 | 607,343,000 | 52,443,000 | 8.6 | 159,781,000 | 26 | 395,118,000 | 65 |
| | 1965 | 655,727,000 | 53,559,000 | 8.1 | 174,935,000 | 26 | 427,233,000 | 65 |
| Socony Mobil | 1962 | 379,339,000 | 8,300,000 | 2.1 | 128,700,000 | 33 | 242,339,000 | 63 |
| | 1693 | 437,352,000 | 23,000,000 | 5.2 | 142,500,000 | 32 | 271,852,000 | 62 |
| | 1964 | 464,660,000 | 27,700,000 | 5.9 | 142,800,000 | 30 | 294,160,000 | 63 |
| | 1965 | 508,016,000 | 33,900,000 | 6.6 | 154,000,000 | 30 | 320,116,000 | 63 |
| Standard (California) | 1962 | 348,181,000 | 5,800,000 | 1.6 | 28,600,000 | 8 | 313,781,000 | 90 |
| | 1963 | 356,568,000 | 2,900,000 | .8 | 31,600,000 | 8 | 322,068,000 | 90 |
| | 1964 | 393,188,000 | 8,300,000 | 2.1 | 39,600,000 | 10 | 345,288,000 | 87 |
| | 1965 | 455,425,000 | 9,000,000 | 1.9 | 55,200,000 | 12 | 391,225,000 | 86 |
| Shell | 1962 | 173,555,000 | 7,200,000 | 4.1 | 8,680,000 | 5 | 157,675,000 | 91 |
| | 1963 | 211,575,000 | 19,100,000 | 9.0 | 12,623,000 | 5 | 179,852,000 | 85 |
| | 1964 | 213,575,000 | 2,800,000 | 1.3 | 12,585,000 | 5 | 198,190,000 | 92 |
| | 1965 | 234,031,000 | 26,600,000 | 11.3 | 13,876,000 | 6 | 193,555,000 | 83 |
| Standard (Indiana) | 1962 | 168,843,000 | 3,105,000 | 1.8 | 3,381,000 | 2 | 162,420,000 | 96 |
| | 1963 | 208,022,000 | 22,182,000 | 10.6 | 2,748,000 | 1 | 183,092,000 | 88 |
| | 1964 | 204,817,000 | 8,486,000 | 4.1 | 1,480,000 | 0.7 | 194,851,000 | 95 |
| | 1965 | 263,098,000 | 39,578,000 | 15.0 | 4,248,000 | 2 | 219,272,000 | 83 |
| Phillips | 1962 | 158,320,000 | 48,000,000 | 30.3 | 3,365,000 | 2 | 106,955,000 | 67 |
| | 1963 | 160,954,000 | 52,000,000 | 26.2 | 3,491,000 | 2 | 105,463,000 | 65 |
| | 1964 | 152,197,000 | 32,229,000 | 22.2 | 4,950,000 | 3 | 115,018,000 | 74 |
| | 1965 | 165,876,000 | 31,745,000 | 19.1 | 6,415,000 | 4 | 127,716,000 | 77 |
| Cities Service | 1962 | 84,143,000 | 20,773,000 | 24.7 | 3,185,000 | 3 | 60,185,000 | 71 |
| | 1963 | 101,976,000 | 20,188,000 | 21.4 | 4,283,000 | 4 | 77,505,000 | 74 |
| | 1964 | 113,405,000 | 27,925,000 | 24.7 | 967,000 | .8 | 84,513,000 | 74 |
| | 1965 | 137,118,000 | [1] 33,000,000 | 24.0 | 976,000 | .7 | 104,118,000 | 76 |
| Continental | 1962 | 73,477,000 | 1,065,000 | 1.4 | 3,335,000 | 5 | 69,077,000 | 94 |
| | 1963 | 99,665,000 | 9,143,000 | 9.2 | 3,157,000 | 3 | 87,365,000 | 88 |
| | 1964 | 112,909,000 | 8,725,000 | 7.7 | 3,175,000 | 2 | 100,109,000 | 89 |
| | 1965 | 142,051,000 | 6,865,000 | 4.8 | 39,035,000 | 27 | 96,151,000 | 68 |
| Sun | 1962 | 66,395,000 | [2] 200,000 | 0 | 13,400,000 | 20 | 53,195,000 | 80 |
| | 1963 | 79,976,000 | 1,300,000 | 1.9 | 17,460,000 | 22 | 61,216,000 | 77 |
| | 1964 | 88,577,000 | 2,400,000 | 2.7 | 17,670,000 | 20 | 68,507,000 | 77 |
| | 1965 | 113,405,000 | 10,300,000 | 9.0 | 18,220,000 | 16 | 84,835,000 | 75 |
| Union | 1962 | 59,421,000 | 8,000,000 | 13.5 | 5,500,000 | 9 | 45,921,000 | 77 |
| | 1963 | 73,028,000 | 13,100,000 | 17.7 | 6,000,000 | 8 | 53,928,000 | 74 |
| | 1964 | 87,564,000 | 13,300,000 | 15.2 | 7,200,000 | 8 | 67,064,000 | 77 |
| | 1965 | 119,214,000 | 15,604,000 | 13.2 | 8,840,000 | 7 | 94,770,000 | 79.6 |
| Standard (Ohio) | 1962 | 37,235,000 | 9,275,000 | 25.0 | 3,738,000 | 10 | 24,222,000 | 65 |
| | 1963 | 54,008,000 | 15,225,000 | 28.1 | 4,896,000 | 9 | 33,887,000 | 62 |
| | 1964 | 70,252,000 | 21,150,000 | 30.2 | 5,334,000 | 7 | 43,768,000 | 62 |
| | 1965 | 82,848,000 | 15,225,000 | 18.3 | 4,896,000 | 6 | 49,711,000 | 60 |
| Sinclair | 1962 | 57,936,000 | 0 | 0 | 10,586,000 | 18 | 47,350,000 | 83 |
| | 1963 | 71,036,000 | 1,200,000 | 0 | 9,532,000 | 13 | 62,704,000 | 88 |
| | 1964 | 66,444,000 | [2] 3,119,000 | 0 | 10,531,000 | 15 | 58,736,000 | 88 |
| | 1965 | 67,173,000 | [3] | 0 | 15,299,000 | 23 | 61,374,000 | 91 |
| Marathon | 1962 | 36,064,000 | 2,200,000 | 0 | 205,000 | .5 | 37,889,000 | 105 |
| | 1963 | 50,058,000 | [4] | 0 | 933,000 | 2 | 49,125,000 | 98 |
| | 1964 | 63,220,000 | [4] | 0 | 2,844,000 | 4 | 60,376,000 | 95 |
| | 1965 | 97,416,000 | [4] | 0 | 37,345,000 | 38 | 60,071,000 | 62 |
| Atlantic | 1962 | 61,110,000 | 0 | 0 | 14,844,000 | 24 | 46,266,000 | 75 |
| | 1963 | 56,747,000 | 0 | 0 | 12,734,000 | 22 | 44,013,000 | 78 |
| | 1964 | 61,081,000 | 0 | 0 | 14,005,000 | 22 | 47,076,000 | 77 |
| | 1965 | 105,299,000 | 0 | 0 | 15,188,000 | 14 | 90,111,000 | 86 |
| Tidewater | 1962 | 35,191,000 | 228,000 | .6 | 2,387,000 | 6 | 32,576,000 | 93 |
| | 1963 | 42,795,000 | [2] 63,000 | | 3,384,000 | 8 | 39,474,000 | 92 |
| | 1964 | 40,508,000 | 377,000 | 13.7 | 4,426,000 | 11 | 35,705,000 | 88 |
| | 1965 | 60,397,000 | 58,000 | .9 | 3,783,000 | 6 | 56,556,000 | 94 |
| Ashland | 1962 | 24,324,000 | 6,201,000 | 25.8 | 2,799,000 | 11 | 15,324,000 | 63 |
| | 1963 | 28,769,000 | 10,556,000 | 37.7 | 104,000 | .3 | 18,109,000 | 64 |
| | 1964 | 36,385,000 | 9,672,000 | 26.8 | 2,977,000 | 8 | 23,735,000 | 65 |
| | 1965 | 50,594,000 | 15,500,000 | 30.6 | 2,440,000 | 5 | 31,594,000 | 63 |
| Sunray | 1962 | 41,203,000 | 3,850,000 | 9.3 | 1,152,000 | 3 | 36,201,000 | 88 |
| | 1963 | 49,727,000 | 6,533,000 | 13.3 | 1,328,000 | 3 | 41,866,000 | 85 |
| | 1964 | 29,357,000 | [2] 7,115,000 | 0 | 1,290,000 | 4 | 35,182,000 | 120 |
| | 1965 | 43,367,000 | 353,000 | .8 | 1,572,000 | 4 | 38,592,000 | 99 |
| Pure | 1962 | 27,680,000 | [2] 2,546,000 | 0 | 1,276,000 | 4 | 28,950,000 | 107 |
| | 1963 | 28,582,000 | [2] 1,212,000 | 0 | 27,000 | .01 | 29,767,000 | 106 |
| | 1964 | 32,282,000 | [2] 600,000 | 0 | 164,000 | .5 | 31,518,000 | 98 |
| | 1965 | | | | | | | |
| Skelly | 1962 | 22,674,000 | 1,260,000 | 5.7 | 250,000 | 1 | 21,164,000 | 96 |
| | 1963 | 27,479,000 | 3,025,000 | 7.7 | 275,000 | 4 | 24,179,000 | 89 |
| | 1964 | 26,601,000 | 785,000 | 1.2 | 275,000 | 2 | 25,551,000 | 98 |
| | 1965 | 39,995,000 | 5,625,000 | 14.0 | 375,000 | .9 | 33,995,000 | 85 |
| Richfield | 1962 | 36,615,000 | 6,000,000 | 16.6 | 0 | 0 | 30,615,000 | 83 |
| | 1963 | 29,767,000 | 1,300,000 | 4.4 | 773,000 | 3 | 27,894,000 | 94 |
| | 1964 | 26,255,000 | [2] 629,000 | 0 | 5,429,000 | 21 | 21,455,000 | 82 |
| | 1965 | | | | | | | |
| Total | 1962 | 4,198,161,000 | 164,500,000 | 4 | 838,891,000 | 20 | 3,194,770,000 | 76 |
| | 1963 | 4,908,386,000 | 246,660,000 | 5 | 950,540,000 | 19 | 3,649,849,000 | 74 |
| | 1964 | 5,179,036,000 | 240,529,000 | 4 | 1,064,383,000 | 20 | 3,873,836,000 | 74 |
| | 1965 | 5,746,923,000 | 379,412,000 | 6.6 | 1,198,143,000 | 20.8 | 4,168,667,000 | 72 |

[1] $7 million investment credit.
[2] Credit.
[3] At least $9,500,000 credit.
[4] Marathon is the only large oil company that has been able to conceal its domestic income taxes in the Securities and Exchange Commission files. We phoned Girard Jetton, Marathon's tax chief and asked for the U.S. figures, but he said it's a secret. Since the firm probably doesn't want to keep secret the smallness of its foreign taxes, it's assumed the U.S. tax is small and all of Marathon's income taxes are listed as foreign.

Mr. HART. Mr. President, briefly, this is an analysis of the 20 largest oil companies in this country. It reflects the net income for the years 1962 through 1965 of each of these 20 companies and the percentage of that income paid in Federal taxes.

Then it takes the Federal taxes paid by each of these companies along with some of the State taxes which they have paid, and reflects the percentage of that tax payment to income.

Then it shows the income after taxes for each of these 20 companies and the percentage it bears to net income.

Interestingly enough, we find that in the summary for 1965, the 20 companies paid 6.6 percent of net income in Federal taxes.

I wish very much that the Proxmire amendment had been agreed to. I voted in support of it. I think that this material which, as I say, comes from the July 25, 1966, issue of the Gasoline Letter, may be of interest to Senators.

## ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President——

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

Mr. MANSFIELD. I yield.

Mr. HOLLAND. Does the Senator anticipate any further voting this afternoon?

Mr. MANSFIELD. I do not.

Mr. HOLLAND. A good many Senators have business elsewhere, but they will stay here if necessary.

Mr. MANSFIELD. There will be no further votes today.

Mr. HOLLAND. I thank the distinguished majority leader.

## ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, instead of coming in at 12 o'clock noon tomorrow, it come in at 11 o'clock a.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I ask unanimous consent that following the approval of the Journal tomorrow, the Senator from Nebraska [Mr. HRUSKA] be recognized for not to exceed 1 hour for the purpose of introducing a beef import bill and a round robin following that with his colleagues on the floor.

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

Mr. MANSFIELD. That then we have the morning business, and then the time allocated to the distinguished Senator from Illinois [Mr. PERCY].

Mr. HOLLAND. Is all this in the unanimous-consent request?

Mr. MANSFIELD. It is.

Mr. HOLLAND. I have no objection.

## ORDER FOR ADJOURNMENT FROM TOMORROW UNTIL FRIDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent, if I have not already done so, that when the Senate completes its business tomorrow, it stand in adjournment until 12 o'clock noon Friday.

## ORDER FOR ADJOURNMENT FROM FRIDAY TO 11 A.M. MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the completion of business on Friday the Senate stand in adjournment until 11 o'clock a.m. on Monday next.

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

## ORDER FOR RECOGNITION OF SENATOR TYDINGS ON MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on Monday next, after the approval of the Journal, the distinguished Senator from Maryland [Mr. TYDINGS] be recognized for not to exceed 1 hour, following which there shall be a period for the transaction of routine morning business.

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

## ORDER FOR ADJOURNMENT FROM MONDAY TO 11 A.M. TUESDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of business on Monday the Senate stand in adjournment until 11 a.m. Tuesday.

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

## ORDER FOR RECOGNITION OF SENATORS McGOVERN AND RANDOLPH ON TUESDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on Tuesday next, following the approval of the Journal, the distinguished Senator from South Dakota [Mr. MCGOVERN] be recognized for not to exceed 1 hour, to be followed by the distinguished Senator from West Virginia [Mr. RANDOLPH], who is to be allotted not to exceed one-half hour, following which there shall be a period for the transaction of routine morning business.

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

## INVESTMENT TAX CREDIT

The Senate resumed the consideration of the bill (H.R. 6950) to restore the investment credit and the allowance of accelerated depreciation in the case of certain real property.

Mr. HARRIS. Mr. President, the distinguished Senator from Wyoming [Mr. MCGEE], who is very knowledgeable in the field we have been discussing involving oil depletion allowances, has asked me to have printed in the RECORD a statement by him.

I ask unanimous consent to have printed in the RECORD the statement of the Senator from Wyoming [Mr. MCGEE], prior to the vote on the Proxmire amendment.

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

### STATEMENT OF SENATOR MCGEE

#### IMPORTANCE OF OIL DEPLETION ALLOWANCE

Mr. MCGEE. We are beginning the first session of the 90th Congress which I believe will be recorded as a most important Congress in the development of and improvement on our many national policies which will mean so much in charting the future course and success of this nation.

My colleagues, during this important session, I am sure, will recognize and bear in mind that this nation, in assuming its position of world leadershp in our attempt to improve on and maybe solve some of the problems facing the world today, must work, speak, and act from a position of strength. This strength, of course, is based on many and varied foundations.

Foremost among the ingredients that contribute to this necessary national strength to do the job before us is that of a strong energy base.

Today's world depends more and more on inanimate energy as a means of making available to all peoples the sinew for making more and better things for more people at a reasonable cost.

This is true in America as well as the rest of the world.

In America more than 75 percent of this important energy base is dependent upon petroleum—petroleum that comes from 32 of our 50 United States.

I am pleased to note that one of the greatest sources in America for this vital commodity—and energy source—is the Rocky Mountain area. Tops in oil and gas production in this area is my own State of Wyoming. In fact, Wyoming now ranks seventh in production of oil and gas among the 32 states having petroleum production.

Wyoming recorded its first production of petroleum back in 1894, having produced 2,000 barrels during that year. In contrast to this in 1963, we reached our peak thus far and produced 144,407,000 barrels of crude oil. Since 1894, Wyoming has produced petroleum valued at $6,000,000,000, and in 1966 alone, the production of oil and gas in my State amounted to $350,000,000.

Today over 10,500 employees, a significant percentage of our state's population, are dependent directly on the search for, production, and marketing of petroleum and its products.

This is a most important factor in the economic welfare of the citizens of my State, as well as the Rocky Mountain area and the nation as a whole.

Now, what has brought this about? Was it the need for petroleum—not necessarily—many parts of the world need petroleum and still don't have it. Was it the fact we had potential petroleum reserves? Not necessarily, because today and for a long time, there have been, and are, many potential areas all over the world capable of finding and producing petroleum. Then, what is the reason? There are many reasons, among which is the know-how and the venturesome spirit of the American citizen. But most important of all is the incentive for men to risk much in the hope of success.

Foremost in the creation of this necessary incentive is percentage depletion which was written into this nation's tax laws over forty years ago after Congress had thoroughly studied the problem.

In 1926 Congress set a 27½ percent depletion rate for oil and gas and a percentage depletion rate for almost a hundred different minerals since that time in an effort to encourage the discovery and development of the basic and vital minerals which this country needs.

From first-hand knowledge, I know what these important tax provisions have meant to my State, my Rocky Mountain Region and my country.

I think the importance of this vital tax

provision can be summed up by saying percentage depletion has helped to establish and maintain the United States as the world's greatest producer and user of petroleum products. Reduction in the effectiveness of this time-tested tax provision would weaken the petroleum industry and result in an impairment of our national security and add increased burdens on the consuming public through increased prices.

I hope and trust that throughout this 90th Congress we will not lose sight of these important facts.

## REDUCTION OF THREAT TO SEASHORES RESULTING FROM RELEASE OF OIL AND OTHER SUBSTANCES BY TANKERS AND OTHER VESSELS

Mr. MAGNUSON. Mr. President, as I stated earlier in the day, when the Senator from Rhode Island [Mr. PASTORE] and others were discussing this matter, the Committee on Commerce has informally drawn up two pieces of proposed legislation for appropriate reference which I shall introduce at this time which will aid in reducing the threat to our Nation's seashores resulting from the release of oil and other substances by tankers and other vessels.

Mr. President, the *Torrey Canyon* disaster of a few short weeks ago is still fresh in our minds. We have seen the beaches and shorelines of Cornwall in the United Kingdom polluted and economically damaged. We have witnessed destruction of water birds and fish along that beautiful coastline. We are presently witnessing the contamination and destruction of the oyster beds along the French coast. All of these coastal areas will, in addition, suffer a large loss of tourist trade during the coming vacation months. Economic losses attributed to the *Torrey Canyon* grounding will run into the billions of dollars.

While the oil from the *Torrey Canyon* is still spreading along the French coast, we have received reports this week of oil slicks off our own east coast, including actual oil pollution of the beaches of Cape Cod. This morning's Washington Post contains a front page picture which vividly portrays the damage to our wildlife along this important section of the New England coast.

In the past, portions of the Nation's west coast have also been contaminated by the release of large quantities of oil. In March of 1964, for example, an oil barge broke loose from its towline and ran aground near Moclips, Wash., causing widespread damage when its oil cargo was released.

I understand from reports by the Coast Guard that off the coast of the State of Washington there are approximately 17 tankers that have been sunk at various times, in which the oil probably has not been released. I shall obtain the exact figures. I believe this situation may exist off the shores of California and Oregon, as well as off the coast of North Carolina and South Carolina.

Mr. President, the *Torrey Canyon* disaster has brought us to realize the inherent danger which construction of large oil tankers hold for the environmental quality of our Nation's seashores and coastlines. When originally built, the *Torrey Canyon* was 810 feet in length, drew 45 feet of water and had a deadweight capacity of about 60,000 tons. Later the vessel was "jumboized" in Japan and the length was increased to 974 feet and the deadweight tonnage to 117,000 tons.

Yet, the "jumboized" *Torrey Canyon* was not a large vessel when compared to some of the modern oil tankers which are under construction in Japanese shipyards. Some of the oil tankers in the yards are nearly triple the size of the *Torrey Canyon,* running well over 300,000 deadweight tons.

But, not only are the world's oil tankers increasing in size, they are also increasing tremendously in number. Total tonnage has doubled in the last 10 years. This expansion will continue and with it will come an increasing threat of oil pollution.

Mr. President, I shutter when I think of what the calamitous effects would be if one of the modern oil tankers were to go aground or be involved in a collision while in the waters of my own State of Washington. It is difficult for me to visualize the resulting destruction of the shellfish industry in Puget Sound, the fishing industry of the Columbia River, or our beautiful Northwest recreational beaches. A large oil discharge would certainly ruin miles and miles of some of our greatest coastline. It could happen in the Great Lakes area, as well.

However, it is not just the Pacific Northwest which is vulnerable to oil spillage, it is the coastline of the entire United States. Only a few miles from Washington, D.C., is located Chesapeake Bay and I am sure that all my colleagues will realize the total devastation in those waters which would occur from a *Torrey Canyon* type oil spill. The oil would cover the entire bay.

The time has come when we must take immediate action through both domestic legislation and international agreement to minimize the potential damage which oil pollution can cause to our environment.

I intend to comment at a later date on the search for an international solution to this important oil pollution problem. But there is also much that Congress can do to protect the coastline of the United States without international agreement.

We can immediately take steps to establish a research and development effort in combating oil pollution particularly with respect to those tankers we know are sunken and lying at the bottom of waters along the coastline of the United States. There may be some technical way to reach them and neutralize their contents with chemicals. Some research should be done. The first of the bills which I am introducing today would provide the Coast Guard with authority to conduct research and development in dealing with the release of harmful fluids carried in vessels. Under this bill the Coast Guard would be authorized to develop, test, and evaluate systems and procedures to control and regulate the movement of vessels carrying oil and other petroleum products which would have a contaminating effect. In addition, the Coast Guard would be able to develop procedures to effect the collection, removal, or disposal of oil and petroleum products after they have been spilled or discharged in the high seas or navigable waters of the United States.

My second bill, the Tanker Disaster Act of 1967, will give the President of the United States the authority to alleviate or remove the threat to navigation, safety, marine resources, and the coastal economy posed by certain releases of contaminated fluids carried in oceangoing vessels. Under this act, the Commandant of the Coast Guard and the Secretary of the Department of Interior, acting jointly, would have the power to determine whether the release of fluids poses a threat within the territorial waters of the United States. If they make such a determination then the bill would require that the President be informed. The President may take measures to remove such a threat, including the destruction of the offending vessel.

Many of the sunken tankers are under the waters bordering the United States, and particularly along the Atlantic coast line. The bill would go further than similar legislation pending in the other body.

My tanker vessel disaster bill goes further than similar legislation presently pending in the House of Representatives. Under this Senate bill, the Oil Pollution Act of 1924 would be amended to prohibit the negligent or accidental discharge of oil into navigable waters. This was the original intent of the 1924 act, but it has been rendered meaningless by amendments limiting enforcement to those cases involving willful or grossly negligent discharge of oil. Any lawyer in this body knows how difficult it is to prove gross negligence.

My Disaster Act would also amend the Oil Pollution Act of 1924 by imposing absolute civil liability for damages resulting from an oil spill within the navigable waters of the United States. The resulting damages from oil discharge are potentially so destructive that the vessel discharging oil should be held liable without the need to show negligence. Both of these additions are necessary for the protection of our coastal economic interests.

Mr. President, our coastlines need protection now. No one knows better than Senators, and those who spend a great deal of time in conservation work, how much our coastlines need other protections as well.

I urge early enactment of these two vital bills.

I ask unanimous consent that the text of the two bills be printed in the RECORD.

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

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

By Mr. MAGNUSON (for himself, Mr. COTTON, Mr. JAVITS, Mr. PASTORE, Mr. HOLLINGS, Mr. RIBICOFF, Mr. HART, Mr. KENNEDY of Massachusetts, and Mr. MUSKIE):

S. 1585. A bill to provide the Coast Guard with authority to conduct research and de-

velopment for the purpose of dealing with the release of harmful fluids carried in vessels:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That chapter 5 of title 14, United States Code, is amended by adding at the end thereof a new section 95 as follows:

"§ 95. Polution control

"(a) The Coast Guard shall make long-range plans for the control and amelioration of any major spillage or release of oil, petroleum products, or other contaminants, solid or fluid, into the high seas or navigable waters of the United States, whether occurring inside or outside of the territorial waters of the United States and however caused. The Coast Guard shall develop, modify, test, and evaluate systems, procedures, facilities and devices to—

"(1) control and regulate the movement of vessels carrying oil, petroleum products, and other contaminating fluids;

"(2) effect the collection, removal, or disposal of oil, petroleum products, or other contaminating fluids either after they have been spilled or otherwise discharged into the high seas or navigable waters of the United States or if, because of hazard suffered by the vessel, spillage or discharge is threatened or imminent;

"(3) reduce, insofar as possible, the contaminating effect or influence upon the seacoast of the United States, its territories and possessions, and the resources over and upon the Continental Shelf of the United States caused by a major discharge of oil, petroleum products, or other contaminating fluids transported in vessels; and

"(4) provide for adequate warning to any area of the United States which may be threatened with harm from the results of a major discharge, oil, petroleum products, or other contaminating fluids into the high seas or the navigable waters of the United States.

"(b) Contracts may be entered into under this section without regard to section 529 of title 31, United States Code."

SEC. 2. The analysis of chapter 5 of title 14, United States Code, is amended by adding at the end thereof the following new item:

"95. Pollution control."

By Mr. MAGNUSON (for himself, Mr. JAVITS, Mr. PASTORE, Mr. RIBICOFF, Mr. KENNEDY of Massachussetts, and Mr. MUSKIE):

S. 1586. A bill to give the President authority to alleviate or to remove the threat to navigation, safety, marine resources, or the coastal economy posed by certain releases of fluids or other substances carried in oceangoing vessels, and for other purposes:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Tanker Disaster Act of 1967."

SECTION 1. Whenever, as a result of marine disaster within or without the territorial waters of the United States, an oceangoing vessel shall release substantial quantities of fluids or other substances, which may tend to contaminate the oceans or the shoreline or the atmosphere, the Commandant of the United States Coast Guard and the Secretary of the Department of the Interior, acting jointly, shall have the power to determine whether such release of fluids or other substances poses a threat within the territorial waters of the United States to navigation, safety, marine resources, or the coastal economy, and if the Commandant and the Secretary do determine that such a threat exists, they shall so inform the President.

SEC. 2. The President, upon being informed by the Commandant of the Coast Guard and the Secretary of the Department of the Interior that a threat to navigation, safety, marine resources, or the coastal economy does exist, may take measures to remove or alleviate said threat. In removing that threat, the President shall have the power to take such steps as he may deem necessary, within or without the territorial waters of the United States, including the destruction of the offending vessel and its cargo.

SEC. 3. The President shall immediately take such steps as he may deem advisable to promote international agreements and conventions for the purpose of alleviating the dangers to navigation, safety, marine resources, and coastal economies caused by the release of hazardous substances as a consequence of marine disasters on the high seas.

SEC. 4. Section 2(3) of the Oil Pollution Act, 1924 is amended to read as follows:

"(3) 'discharge' means, except for the purposes of section 6, any accidental, negligent or willful spilling, leaking, pumping, pouring, emitting, or emptying of oil;"

SEC. 5. The Oil Pollution Act, 1924 is amended by redesignating sections 6 and 7 as sections 7 and 8, respectively, and by inserting after section 5 a new section as follows:

"SEC. 6. (a) Any person who discharges or permits the discharge from any boat or vessel of oil by any method, means, or manner into or upon the navigable waters of the United States or the adjoining shorelines of the United States shall be liable for any damage caused by such oil.

"(b) For the purpose of this section 'discharge' means any spilling, leaking, pumping, pouring, emitting, or emptying of oil, whether or not willful or negligent."

Mr. MAGNUSON. Mr. President, I am joined in sponsorship of the bills by Senators who are not members of the committee itself; namely the Senator from New York [Mr. JAVITS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Connecticut [Mr. RIBICOFF].

Mr. President, I can assure Senators that the Committee on Commerce will proceed expeditiously in this matter.

Mr. HART. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I am happy to yield to the Senator from Michigan who has a very pertinent question to ask as to whether the bills cover the Great Lakes area. I am sure that they do, because we are talking about navigable waters of the United States. If they do not cover it, it will be. We will see that the bills include the proper language so that the Great Lakes will be covered. Especially there, it could be even worse, because the Great Lakes do not have any tides.

Mr. HART. I am grateful to my friend, the Senator from Washington, for anticipating my question. I knew that he would sense immediately the concern of the people in the Great Lakes area over this problem, and I am delighted that he has shown such fine leadership in this field.

I, too, should like to be a cosponsor of his bills.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the name of the Senator from Michigan [Mr. HART] be added as a cosponsor to these two bills.

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

Mr. MAGNUSON. The fine people in the Great Lakes area have a much larger problem than we who live on the seacoasts, because of the lack of tides. This is a problem which we must take a look at, I think particularly because of the building of huge tankers of 300,000 tons deadweight. They are tankers which hardly any dock of largest size can take. They call them jumboized—they take a smaller tanker, spread it out, and put all these tanks in between.

I saw my friend from Oklahoma in the Chamber. I do not know how much research the oil industry has done, but it is possible chemically to neutralize oil and petroleum products with the right kind of chemicals. I am sure that research is being carried on today in the great chemical plants in West Virginia on this problem. It would be disastrous to let this problem go unchallenged.

Mr. President, I ask unanimous consent that the name of the Senator from South Carolina [Mr. HOLLINGS] be added as a cosponsor to these two bills.

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

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## THE LATEST PROPOSAL BY SENATOR LONG OF LOUISIANA

Mr. GORE. Mr. President, the amendment to the pending bill introduced yesterday by the distinguished junior Senator from Louisiana proposes to add a new title to the bill before the Senate. From such limited opportunity as I have had to study the amendment, it would appear that its purpose is to reenact, effective July 1, 1967, a somewhat amended version of the Presidential Election Campaign Fund Act, which the Senate voted on last Thursday to repeal, effective July 1, 1967.

In offering the amendment, the junior Senator from Louisiana obviously seeks to reverse or circumvent the action of the Senate when it adopted the amendment of the Senator from Delaware as modified. Though this raises questions concerning the finality of action taken by the Senate during deliberations on a bill, the junior Senator from Louisiana is entitled by such parliamentary procedure as may be available to him, to seek to prevail on this issue. It does seem to me, however, that in the interest of orderly procedure and in the interest of the orderly transaction of legislative business, the Senate may wish to consider the advisability of returning again and again to an issue already decided by a rollcall vote involving 90 Senators.

There has been little opportunity for Senators to study or read the pending amendment. An issue so complex, particularly from the standpoint of legislative drafting, as is the subject of campaign financing, requires and deserves the most deliberate and painstaking study of the language used.

From my initial study of the newly proposed Long act, it would appear that the bill now proposed is in some respects a modest improvement of the act which was passed so hastily and so unwisely last year, yet the major inherent defects

of the Long act of 1966 are retained in the proposal now offered by the junior Senator from Louisiana. While much more study would be required to determine the precise effect of some of its provisions, I wish to call to the attention of the Senate the following:

First. The measure now offered continues the taxpayer checkoff approach contained in the act which the Senate has voted to repeal. There has already been considerable debate on this point. In my view, such an approach is unsound, unwise, and unworkable. It constitutes a dangerous precedent which, if extended to other programs, would seriously undermine the function of the Congress in determining the level of authorization for programs and the congressional appropriations process. The expense involved in examining 70 million tax returns, together with other expenses of administration, is a matter upon which we have no estimates, but which surely would be disproportionate to the sums involved. I note also that the pending measure reverts to $1 per taxpayer, although the Senate voted last week to reduce the amount to 50 cents per taxpayer for the 1968 elections.

Second. Under the pending proposal there would be no ceiling whatever on the amount that could be spent in the presidential campaign. Up to $30 million would be available to each major party for certain expenses listed in the amendment. In addition, this $30 million could be augmented by whatever amounts that might be raised and spent from private contributions by individuals or organizations not under "control" of the presidential candidate. Last week I called to the Senate's attention that this kind of so-called restriction would be an even bigger loophole than is the provision of the Corrupt Practices Act relating to senatorial and congressional campaigns. That act provides that a candidate must report all contributions received by him or "by any person for him with his knowledge or consent, from any source, in aid or support of his candidacy for election, or for the purpose of influencing the result of the election * * *." This is a farce, because candidates invariably simply have no specific knowledge of contributions to pay for television programs on which they appear. Under the pending amendment, the expenditures would be outside the so-called restriction as long as the candidate had no "control" over the organization, and lack of "control" is very easy to manage.

Thus, there is no real effective prohibition against privately financed expenditures, even for the purposes listed in the amendment. There is no prohibition whatever against the soliciting, receipt, and expenditure of private contributions for purposes other than those listed in the amendment. Incidentally, the items specified in the pending amendment are similar to those contained in the amendment previously offered by the Senator from Connecticut, except that it does not include salaries for campaign personnel and overhead expenses for maintaining headquarters, including headquarters in State and local areas, as did the amendment of the Senator from Connecticut.

Third. The pending amendment contains no limit whatever on the amount that may be raised and spent from private sources in the conduct of a presidential campaign. It contains no safeguards concerning the solicitation of funds from questionable sources or in questionable amounts from what otherwise would be a legitimate source of campaign funds. Conduct of a presidential campaign under the pending amendment would inevitably involve the commingling of public and private funds. All of the evils now associated with the financing of presidential campaigns would be continued and, in fact, compounded by the availability of up to $30 million for each of the major parties.

Fourth. The amendment contains no limit whatever on the amount which any individual or group might contribute to a presidential campaign. This is one of the basic defects of existing law which would be continued, intact, under the pending amendment.

Fifth. Under the pending amendment there are no safeguards whatever concerning the expenditure of funds received from private contributions. With the availability of up to $30 million in tax funds a party might solicit and raise funds sufficient to pay all its campaign expenses including those which are actually paid from public funds. The party could thus wind up the campaign in the happy circumstances of a substantial surplus of money in the bank, with such funds available to finance such activities as the party bosses might deem desirable for the ensuing three years until the next presidential election, including expenses associated with the next national convention and activities related thereto.

Sixth. The pending amendment contains no guidelines or criteria from which those administering the law could determine whether a given expenditure was associated with the presidential campaign, a campaign for some other office, or both. Thus, if a presidential candidate made an appearance at which his party's candidate for Senator, Congressman, Governor, or sheriff appeared on the same platform, the question would arise as to whether expenditures associated with that appearance qualified for reimbursement from public funds. I am frank to say it would be most difficult to isolate completely a presidential campaign from other campaigns conducted in the same election. Indeed, I question whether it would be advisable for a presidential candidate to run his campaign in a vacuum, so to speak, disassociating himself from all other candidates of his party. This illustrates, Mr. President, the difficulties which are encountered when one undertakes to approach the question of campaign financing on a piecemeal basis. It really makes no sense to try to legislate in the area of presidential campaigns while leaving completely untouched all the questions that cry out for reform in the law as it relates to campaigns for other Federal offices.

Seventh. The pending amendment does not resolve in any way the serious questions raised by many Senators during debate over the past 2½ weeks about the danger of centralized control of political party structure in this country. Under the pending measure political party leaders in Washington would have available not only up to $30 million of tax money but also whatever unlimited amount they could raise privately. The availability of tax funds for basic expenses for the presidential campaign would give to such political leaders almost complete freedom to use privately raised funds to influence the campaigns of Senators and Members of Congress whom these leaders might select for favor or disfavor. For that matter, such funds, raised nationally, would be more readily available even to influence a race for mayor or sheriff. As has been pointed out earlier in the debate, the availability of funds in amounts without any practical limit would give tremendous power to those in a position to allocate or expend them. This would pose great dangers to our presently decentralized political party structure.

Eighth. The pending amendment suffers from the inherent defect of the act which the Senate has voted to repeal in that it does not undertake general reform of existing law in the area of campaign contributions and expenditures. When all has been said that can be said about the pending amendment, if its provisions should become law, the practices which are now prevalent with respect to the soliciting, the contributing, and the expenditure of campaign funds would be unaffected. There would still be no effective limit on how much could be given, how much could be received, how much could be spent, for what it could be spent, where it could be spent, or when it could be spent. Should the pending measure become law and become operative, all we would have done really is to provide up to $30 million to each major political party from public funds for use in addition to whatever amounts can be raised privately.

Ninth. As a matter of particular interest to the members of the Appropriations Committee, I note that the proposal contains a permanent appropriation, in such amount as may be determined by individual taxpayers and those who spend the money.

Mr. President, I emphasize once again that basic reform is urgently needed. If this reform is to be achieved, it must be accomplished in the same measure in which the use of public funds is authorized. If we start writing checks without first legislating reforms, we simply will not achieve those reforms. This is why I believe so strongly that the Long Act of 1966 was a step backward instead of a step forward; this is why, among other reasons, I believe it made matters worse rather than better; this is why I fought against its enactment and why I have fought for its repeal. These reasons apply equally strongly to the measure now offered by the junior Senator from Louisiana.

Mr. President, the foregoing observations are based upon a very limited opportunity to study the amendment offered by the junior Senator of Louisiana. It is, as I have said, somewhat different in some details but quite similar to the measure the Senate approved without adequate study last year. The Sen-

ate has spent 2 weeks undoing that mistake. With the offering of the pending amendment, we are right back where we were last October. The Senate has a bill before it which has received no committee consideration, which deals with a subject as complex as it is important, and which the Senate ought not in my view to act upon without the fullest study and consideration possible. This is simply a matter upon which we ought not to undertake to write law on the floor of the Senate.

## ADDRESS BY SENATOR BARTLETT BEFORE REGIONAL MEETING OF ASSOCIATION OF LOCAL TRANSPORT AIRLINES

Mr. MAGNUSON. Mr. President, in a recent speech before a regional meeting of the Association of Local Transport Airlines, the Senator from Alaska [Mr. BARTLETT] made some important points in the debate on the expansion of East-West trade. He rightfully, I believe, calls for a more flexible policy which will "encourage these nations to act as individual countries."

I ask unanimous consent that the complete text of these important remarks by the distinguished Senator from Alaska be printed in the RECORD.

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

THE YEAR 1967—A BENCHMARK IN HISTORY

(Address of Senator E. L. "Bob" BARTLETT, at spring quarterly regional meeting of the Association of Local Transport Airlines, Phoenix, Ariz.)

It was Joyce Kilmer who wrote that life is a highway and its milestones are the years.

To carry that thought a bit further, some milestones are more important than others. They are benchmarks in the highway of history, observing an anniversary of the past or making important new departures.

Nineteen sixty-seven is one of those years.

It is the 10th anniversary of the founding of the Association of Local Transport Airlines, and even more important, it is the year the CAB has proposed new nonstop authority on high density routes served by ALTA members.

If I may be excused a bit of parochial pride, it is the year of the Alaska Centennial.

In Alaska it is also the year of the consolidation of airlines.

The consolidations involve five members of the association. To review the proposed mergers, Northern Consolidated Airlines and Wien Alaska Airlines will combine to form one company, and Alaska Coastal and Cordova Airlines will merge with Alaska Airlines.

As in all things, there is more than one way to look at these consolidations. I am not familiar with ALTA's rules considering payment of dues, but I suppose the loss of three members might cut the association's budget—don't cry Joe—or result in an increase in dues. This obviously would be a negative reaction to these moves, and as misleading as an interpretation that because ALTA has three fewer members the local transport airlines industry must be in a bad way. But you and I know differently. In the 10 years of ALTA's existence transport revenues, not counting subsidies, of the 21 firms now in ALTA have climbed from $69 million to $300 million. Passenger miles have jumped from 821 million to 3.3 billion.

Clearly, the local transport airlines industry is healthy, growing and modernizing. Where their firms once flew principally DC–3s, they are now in the jet age with such planes as F–27s, Convairs, and Boeing 727s.

In Alaska, the state where everyone flies, it would be most surprising if local airlines were not experiencing similar growth. Well, I have no surprises for you on that score. The air industry in Alaska is healthy, growing and modernizing. The correct way to look at these consolidations is that they will speed growth and modernization of the airlines involved, and that is good for Alaska and for all local transport airlines.

However, progress does have its victims. New highways replace old landmarks. Mileposts of the past fade from memory, obscured by the changes of present.

At one time, medical supplies were rushed to remote areas in Alaska by dogsled. Today they are flown in by scheduled airlines and by bush pilots.

At one time, bush pilots were responsible for most of the transport miles flown in Alaska. Now, while the bush pilots are still most important to the transportation industry in Alaska, most of the flying public is served by regularly scheduled airlines.

Gone are the days when a man could assemble a World War I plane, equip it with floats, teach himself to fly and then form his own air transport company. That's how Shell Simmons, president and chairman of the board of Alaska Coastal Airlines, got into the business.

Gone are the days when the head of an airline, who doubled as pilot and what have you, could enlist the aid of four passengers for two days of shoveling snow off a runway so the plane could take off and then collect their full fares when reaching the final destination. I don't think you can find customers like that any more, but that is a true story about Merle K. Smith, chief executive officer of Cordova Airlines.

I think it is interesting to note that most of Alaska's local airlines grew out of bush-pilot operations. For example, Alaska Coastal is the result of the consolidation, purchase or merger of nine separate bush pilots and scheduled airlines. The merger of Wien Alaska and Northern Consolidated brings together two other former bush pilots —Sigurd Wien and Raymond I. Peterson. So if some of the milestones forged in the past by these men are obscured by the dust of time, these healthy growing airlines are their monuments which will continue to mark the highway of history in Alaska.

I am convinced, too, that a bright future awaits all members of this association. The need for swift and convenient transportation will grow as our population grows. There will always be an important place in this nation's transportation picture for local airlines, serving the public along with long-range airlines and modern mass transit systems. I wish I could be as certain that the future included a modern merchant fleet, but any of you familiar with the hearings I conducted this week would, I'm sure, share my uncertainty if not my concern over the future of this nation's merchant marine.

I am not about to belabor this audience with a discussion about the poor condition of that portion of this nation's highway to history which stretches over the seas. However, before moving on, I do want to say that the question of the future of our merchant marine is of national importance, of importance to you as part of an effort to build a well-balanced transportation complex. Transportation is a form of communication, and air travel, even as modern telephones, radio and television, has helped draw together the many sections of this large nation, has helped bring a unity of purpose among our people. In the face of a number of bitter debates now raging in the nation I do not want to overdraw the concept of unity of purpose, but I think that behind these disputes, which have more to do with means than ends, the great majority of Americans share common aspirations and goals. This is not true of all nations, has not always been true of this one, but the mobility of our population and our communications, has helped alleviate misunderstanding among the various regions of this country.

A well-balanced transportation industry also can help alleviate misunderstandings among nations—through trade and tourism.

For just a few minutes I would like to discuss the concept of trade among nations, particularly among nations on opposite sides of the so-called iron-curtain. I say so-called, because I believe that old curtain is rusting a bit.

Let's return a moment to my opening figure of speech. I said that 1967 was one of those benchmark years in history which observes an anniversary of the past or marks important new departures.

Nineteen sixty-seven has already seen what may be an important departure in cold war relations—ratification of the consular treaty with the Soviet Union. This treaty was opposed strongly and sometimes hysterically by certain groups. I do not question the right to dissent, but I do regret that too many of them sought to confuse the question with irrelevant or untrue statements. This treaty is not of major importance, but it can be a small step, a start in easing world tensions.

Because of the nature of the campaign launched against the consular treaty, I will not be surprised to see a similar campaign directed at the East-West trade relations bill, a proposal designed to help build bridges between East and West, to help construct a highway which leads to understanding among people and nations. If we can make such a start this year, then 1967 will truly be a benchmark in history.

My intent tonight will not be so much to persuade you one way or the other, but to discuss the issue, for it is important that men such as you, leaders of an industry which thrives because travel and trade are economically and educational profitable, should be aware of what the proposal entails.

Briefly, the bill authorizes the President to enter into commercial agreements with certain communist countries when such agreements will be in the national interest. The bill outlines some of the benefits we might hope to obtain from such agreements, including protection of industrial rights and processes and satisfactory settlement of financial and property claims. No agreement could run longer than three years, which rules out any long-term credit which might be construed as aid rather than trade. The bill prohibits any agreements with Red China, North Vietnam, North Korea, Cuba or the Soviet zone of Germany. It also prohibits any transactions involving material controlled by the Export Control Act of 1949 and the Mutual Defense Assistance Control Act of 1951.

There are several facts of international life which must be recognized in judging the effect and purpose of this act.

First, refusal of the United States to deal with the communist governments of eastern Europe will have little effect on the economic development of those nations. If those nations do not get what they want through trade with this country they will get the goods from other western nations. So actually, the principal result of a no-trade policy with the communist nations of eastern Europe is a denial of markets to U.S. businessmen.

Another fact that should be recognized is that the amount of trade between the United States and the countries in question probably will not be a substantial percentage of the foreign commerce of any of the parties involved, although the economic value of East-West trade potential should not be dismissed. However, the main reasons for building bridges through trade are political.

I do not mean we should expect great political changes in these nations because of

any trade agreements reached. Rather, I mean we must answer two questions:

One, do we want to do all we can to encourage independence among the communist nations of eastern Europe?

Two, do we wish to continue an unsuccessful policy which adds more strain to our already difficult relations with the governments of western Europe?

Let me answer the questions in order.

If by some chance we could impose meaningful restrictions on all East-West trade, which we cannot, we would force the nations of eastern Europe to seek even closer economic ties with the Soviet Union., We would in fact, be working to strengthen the so-called Soviet monolithic bloc. Clearly, that bloc is cracking. Recently Yugoslavia has taken further steps in decentralizing her government, another move away from the Soviet way of government. I, for one, think such moves are in the interests of this country and should be encouraged.

As for my second question, it has been shown that despite the policy of the United States, western Europe is going to trade with the Soviet Union and eastern Europe. By seeking to limit that trade we merely add one more item to the already too long list of disagreements we have with our allies in western Europe.

It seems to me that what we need in the area of East-West trade is a policy which gives this nation a degree of flexibility in reaching and suspending trade agreements and a degree of flexibility in reaching different agreements with different nations.

I do not believe we should do more than establish normal trade relations. There is no need to consider long-term agreements. Our government should have the authority to make such agreements not just for the sake of such agreements, but when they are in the national interests. Our government should have the authority to suspend such agreements for good reasons, such as failure to protect American property. And certainly our government should have the authority to establish, for example, one policy toward the Soviet Union and another toward Yugoslavia, for what we are trying to do is encourage these nations to act as individual countries.

Perhaps I have strayed too far from my opening sentences, but it is important that you people, leaders of a growing transportation industry, consider the question of East-West trade. For you, 1967 is a benchmark year in history in that it marks the 10th anniversary of ALTA and holds promise for better routes. With the enlightened leadership of such people as yourselves 1967 can be a benchmark year for marking a new departure in our relationship with eastern Europe, for building new important bridges on the highway of history.

## THE SUPERSONIC TRANSPORT PLANE—A LETTER FROM MR. C. R. SMITH, CHAIRMAN OF THE BOARD OF AMERICAN AIRLINES

Mr. MAGNUSON. Mr. President, one of America's outstanding aviation leaders wrote me the other day. He spoke for his company, its stockholders, its passengers and, in fact, for our Nation.

He is C. R. Smith, chairman of the board of American Airlines. He discussed the supersonic transport plane. He wanted to know how soon his airline could obtain the plane and fly it so America's aviation superiority might be maintained.

I ask unanimous consent to have printed in the RECORD Chairman Smith's letter.

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

AMERICAN AIRLINES,
*New York, N.Y., March 31, 1967.*

Senator W. G. MAGNUSON,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR MAGNUSON: I hope that you will vote for a "go ahead" when the program for the development of the United States supersonic prototype comes before the Senate. The reasons for this recommendation are these:

It is no longer debatable that we will soon have supersonic air transportation. The question is the extent to which the United States will participate in this new development and benefit from it. The British-French have a government-sponsored supersonic airplane on the assembly line and it will be flying soon. The Russians have announced a similar government-sponsored transport and predict that it will be flying at least as soon as the British-French model. There is reason to believe that the Russians will have their airplane; they have the basic capability to design and build it, they have incentive to do so and their announcements in the past about air and space plans have usually been followed by performance.

Russia has been given authority to operate its airline to the United States. Both the British and the French have long had such rights. We should anticipate that British-French and Russian supersonic airplanes will be operating from Kennedy Airport before a United States airplane is available.

International air transportation is highly competitive. It directly affects the economy and the prestige of the nations involved. The air carriers of the United States must be able to operate supersonic airplanes if foreign-flag airlines do so. If the United States carriers cannot buy airplanes built in the United States, they must, for competitive reasons, buy them elsewhere. If this comes about, we lose both prestige and dollars. We also lose employment for our skills and work for our people.

We should be concerned about our position in world aviation. The United States has usually been first in the production, use and sale of better airpalnes. In the main, the airlines of the world, although they are usually owned by the nation whose flag they fly, are now equipped with airplanes built in the United States. The United States is the world leader in aviation today. We became the leader because we were willing to lead. We have not hesitated to build, use and sell better airplanes once it has been proven that they were feasible, usable and salable.

Will the United States model be feasible, usable and salable? That would have been a realistic question some years ago. But, during recent years, we have devoted our attention to the potential of supersonic air transportation; we have worked hard and learned much. There is now no reasonable doubt that the United States has the technology needed to design and build the best supersonic airplane; no other country in the world has quite so much knowledge, skill and experience. We hesitate, not because we doubt our ability to produce, but because the investment will be high.

There may be nostalgic value in recalling the time when aircraft development programs cost much less. But, now, we are in a different league. If we want to retain leadership in aviation, in competition with other governments willing to support supersonic development, we must be willing to make the necessary investment.

It has been suggested that we might reduce our risk if we would be willing to settle for a Mach 2 airplane, believing that the total of the unknowns would be smaller. We know, of course, that the number of the unknowns has been steadily diminishing during recent years. Much of the mystery in designing a suitable supersonic airplane has already gone down the wind tunnel. An efficient, economic Mach 3 airplane can be built. Experts in the service of the government believe this and say so. Competent manufacturers are willing to share in the risk of the project. Experienced airlines expect to operate supersonic airplanes and they have protected delivery positions with substantial deposits.

We would increase our risk with a Mach 2 airplane, rather than decrease it. We would be extending the frontiers no farther than airplanes now under way. Our Mach 2 airplane would compete directly with other Mach 2 airplanes and we would have little advantage to offer. More important, the Mach 2 airplane will be obsolete much earlier than the Mach 3 airplane. There is little merit to a proposal that we rest at Mach 2 because other nations are willing to do so. They may be reaching the limit of their technology; we are not. If we stop at the intermediate point, we dissipate our superior technology and surrender our leadership.

Another way to reduce the risk, it is said, would be to build the new airplane of aluminum, because more is known about working aluminum. This would, in itself, reduce our airplane to Mach 2 because that is the limit for aluminum. A decision to prefer aluminum, if made several years ago, might then have been tenable, although it would have turned out to be wrong. But a decision now for aluminum would not be tenable; we can build a better airplane and should do so.

Titanium is a superior metal. It has many advantages, including better heat resistance and better resistance to corrosion. With titanium the airplane can be lighter, although no less strong, giving us an increase in payload, which can be translated either into more range or more passengers, or both. Those who believe that we should "go back" to aluminum are just not well acquainted with what can be done with a better metal. We have learned to work titanium; there are few mysteries remaining. Military machines built of titanium prefer aluminum, if made several years ago, several years. The supersonic airplane, with its problem of heat production, must be designed for titanium.

There are hesitations in other areas. Some would be willing to support the project if they were promised that it would go slowly, learning as we go, as they put it. There is a mirage of appeal in a stretched-out program because annual appropriations might be smaller. We should realize, however, that this program has already been delayed. There is no justification for a planned slowdown.

We want this to be a good airplane, able to earn its way and repay its investment. To get that, we must have a fair total cost. The Air Force learned, long ago, that there are two methods which will certainly add to total cost. One is to slow down the development and stretch it out. The second is to insist on an "accelerated" or "crash" program. There is no need for us to make either of these mistakes.

What about the sonic boom? Nearly everyone who knows anything about airplanes is willing to discuss the sonic boom. That willingness may more often be found among those who have chosen to take a position against the program; it is a subject upon which strong convictions can be expressed without certainty that they will be successfully contradicted.

No one really knows enough about the boom. There will be a boom and it will bring problems. But actual experience with booms produced by large, fast airplanes is confined in the main to experience with the B–70. Only three of these airplanes have been produced and their total flying time is not much.

For the sake of discussion, let's assume the pessimistic point of view. Assume that the problem of the boom will not permit the Mach 3 airplane to operate at that speed over populated land areas. If so, that would reduce its immediate area of opportunity to the overseas routes, water routes, with the land portion at subsonic speeds.

Even with this hypothetical limitation, we still would know that other nations will be operating supersonic airplanes on their routes. If we intend to operate on the same routes with a fair opportunity for competition, we must also have supersonic airplanes. We then come back to the earlier conclusion, that supersonic air transportation is relatively "just around the corner." The principal question remains, to what extent do we intend to participate?

Aside from direct dollar economics, airplanes built in the United States have been "showing the flag" along the air routes of the world for a long time. These airplanes speak of industrial efficiency and of products of good quality. They affect the image of the United States and affect it favorably. This contribution to national prestige needs to continue.

Finally, this is the land of private enterprise. Why cannot the United States manufacturers and the airlines get together and finance the airplane without government aid?

Mathematically, it becomes obvious upon examination that total resources available to the United States firms are not sufficient to bear the risk of the enterprise. But there is more. Both the British-French and the Russian airplanes are government enterprises. The government provides the capital and takes the risks. The manufacturers and the airlines of the United States are efficient and relatively strong. But they are not strong enough to compete with the national treasuries of other governments without aid from their own government.

Unless the United States Government is prepared to participate in the development program, in a very substantial way, we have the prospect that other countries will have a supersonic airplane but we will not have one.

Sincerely yours,

C. R. SMITH,
*Chairman of the Board.*

## ORIENTAL EXPORTERS, INC., EVIDENCES CONFIDENCE IN THE FUTURE OF THE AMERICAN MERCHANT MARINE

Mr. MAGNUSON. Mr. President, I was extremely pleased to read in the Journal of Commerce of April 17, 1967, that Oriental Exporters, Inc., one of the leading operators of American-flag bulk carriers and tankers, has evidenced its confidence in the future of the American merchant marine by placing orders for the construction of two 37,000 deadweight tankers with Bethlehem Steel Corp. These vessels will be built without construction-differential subsidy. Applications for title XI construction loan and mortgage insurance are now pending before the Maritime Administration.

The article announcing this new construction, in the Journal of Commerce, is as follows:

BETHLEHEM GETS ORDER FOR TANKERS

Oriental Exporters, Inc., one of the leading operators of privately-owned U.S. flag bulk-carriers, and Bethlehem Steel Corp., announced at the weekend an agreement covering the construction of two 37,000 deadweight ton tankers to be built at Sparrows Point, Md., yard.

Michael Klebanoff, vice president of Oriental Exporters, and Aniel D. Strohmeier, vice president of Bethlehem in charge of shipbuilding in making the joint announcement said that the agreement is covered by a letter of intent and is subject to the U.S. Maritime Administration approval for Title XI insurance on construction and mortgage.

DELIVERY SLATED FOR 1969

The tankers are to be owned by Wabash Transport, Inc., and Willamette Transport, Inc., affiliates of Oriental Exporters. Mr. Klebanoff is president of the two corporations.

Scheduled for delivery in 1969 the two single-screw tankers will feature advance design with the bridge aft. They will have an over-all length of 660 feet and beam of 90 feet and will be powered by steam turbines developing 15,000 horsepower capable of providing a service speed of better than 16 knots.

The Bethlehem yard also has on order four other ships of similar design and size—three of them for companies in which Maritime Overseas Corp. acts as managing agents and brokers.

COSTING MILLIONS

Although no official price for the ships has been confirmed industry sources estimate that each should cost in the neighborhood of $11 million.

Although none of the tankers are believed to have a specific charter arrangement at this time, the government's Military Sea Transportation Service usually shows a preference for petroleum carriers in the 30,000-ton class owing to limited draft conditions at most U.S. sea-based facilities.

Oriental Exporters also operates a 36,000-ton U.S. flag tanker the Connecticut, and serves as agent for the NSA, the government agency handling reserve ships.

Bulk Transport Inc., an affiliate of Oriental Exporters, recently was awarded a C–4 troopship by the government, and the vessel is presently being converted to a cargo ship.

This is a rare case where a company engaged in this activity has decided to build American and fly the American flag. They are to be commended.

Mr. MILLER. Mr. President, I believe it is particularly applicable to draw attention to this report because of the action taken by the Senate this afternoon in adopting the amendment of the Senator from South Dakota [Mr. MCGOVERN] relating to meat and meat products.

## INVESTMENT TAX CREDIT

The Senate resumed the consideration of the bill (H.R. 6950) to restore the investment credit and the allowance of accelerated depreciation in the case of certain real property.

Mr. LONG of Louisiana. Mr. President, with reference to the Proxmire amendment, I have asked that certain charts be brought into the Chamber to demonstrate the problem as I see it.

First, some persons have the impression that oil companies do not pay as much in taxes as do other industries. One of the charts in the rear of the Chamber is entitled "Taxes on Oil." I ask unanimous consent that a facsimile of the chart be printed in the RECORD to show the amount of taxes that the oil companies pay.

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

*Yearly taxes on oil*
[*In millions*]

| | |
|---|---|
| Direct taxes: | |
| Federal income | $490 |
| State taxes | 630 |
| Local taxes | 480 |
| Other | 400 |
| Total | [1] 2,000 |
| Excise taxes | 6,500 |
| Total taxes | 8,500 |

[1] 5 percent of total revenue.

Mr. LONG of Louisiana. Mr. President, the important point is that oil companies pay $490 million a year in Federal income taxes; $630 million a year in State taxes; $480 million a year in local taxes; and $400 million a year in other taxes; a total of $2 billion, or 5 percent of their total revenue.

That is the amount, or is almost the amount, of taxes that the average manufacturing industry pays. So the oil industry is not a lightly taxed industry; it is a heavily taxed industry. It is taxed as heavily as manufacturing industries.

Some companies pay most of their taxes as Federal income taxes. The oil companies pay the biggest portion of their taxes as State taxes. Those who would raise the Federal income tax on oil companies seldom point out that this industry is particularly vulnerable to State and local taxes, because it must pay taxes to a State in order to produce the oil that is in the State.

As one who has worked with State legislatures in years gone by, I have urged that the eyeballs be taxed off companies operating in Louisiana because they had money, and Louisiana was a relatively poor State and had to get the revenue. I see the Senator from Oklahoma [Mr. HARRIS] nodding in agreement. Oklahoma did the same thing. Oklahoma did not want to tax everybody, but it was necessary to have money, so they bore down and squeezed out every nickel they could get.

Look at the local taxes, a full $480 million. Some industries have no local taxes.

For example, the electronics industry can go to almost any State it wants to and not have to pay any State taxes, because all 50 States are competing for its location there. On the other hand, the oil industry in Louisiana is there and it is taxed 25 cents a barrel, which is approximately 10 percent of the product, and the industry must pay it whether it makes a profit or not.

The same is true of local and other taxes.

While it is true that this industry does not pay as much in Federal income taxes as some other industries do, it makes up for it by paying more in taxes to State and local governments. Somebody has to support State and local governments. If one is a businessman, looking at his profit-and-loss statement, or his report to the stockholders, he must set out the taxes. It does not make any difference to a stockholder whether the money is paid out in local taxes, State, county, city, or Federal taxes. He wants to know how much money is made after taxes, and on that basis the oil industry

pays as much as the average for other manufacturing industries.

In addition, this industry carries a heavier burden on its product than any other industry does on any other product except whisky, cigarettes, and beer, all of which bear a moral connotation. Gas and oil do not, or should not. This industry carries a burden of $6.5 billion on its product in terms of excise taxes, more than any other industry other than those just mentioned. I repeat, $6.5 billion.

Some people say that this is a tax which the consumer pays. That may be, but it is a burden on the product. The reason I say that is that, the last time the tax was raised, the oil industry tried to raise its price to get back the cost of the highway tax. There was too much consumer resistance and too much competition from foreign imports, so the industry could not raise the price of its product to get back the cost of the increased tax. It had to absorb that tax.

Mr. President, I ask unanimous consent that the next chart may appear in the RECORD.

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

*Oil's profits—Rate of return on invested capital*

[Eleven-year average, 1955–65]

| | Percent |
|---|---|
| All manufacturing industries | 10.6 |
| U.S. petroleum industry | 9.5 |

Mr. LONG of Louisiana. Mr. President, here is a chart to show the average rate of return on invested capital in the oil and gas industry and all manufacturing industries during the 11-year period 1955–65. For all manufacturing industries the rate of return after taxes averaged 10.6 percent.

Now, this is figured the way a banker looks at it, not on a basis of 27½ percent. It is figured on the cost depletion. That is the way a banker looks at it when someone goes in to borrow money and the banker has to decide whether he wants to invest the bank's money in that industry.

So, on a cost depletion basis, the petroleum industry's rate of return was 9.5 percent—less than the 10.6 percent which all manufacturing industries received.

Those figures make a poor case to show that the oil industry should be taxed more heavily, when it makes less profit than the average of all manufacturing industries.

Let us take production from 1957 through 1965. The entire industrial production went up about 66.3 percent. Employment went up 14 percent. Total sale prices went up 5.8 percent.

Now let us look at the oil industry. Crude oil prices went down 2.5 percent. Employment went down 15.3 percent. The number of exploratory wells went down 24.7 percent. So the industry is drilling one-quarter less wells today than it did in 1957–59.

The industry is suffering. This is a depressed industry.

I ask the staff members to pick up the chart on oil reserves and move it over to the chart showing the general economy.

Mr. GORE. That is where it belongs.

Mr. LONG of Louisiana. Mr. President, the reason for the oil quotas and the 27.5 percent depletion allowance is that this Nation hopes that our survival does not have to depend on the whims of Mr. Nasser and whether he is going to close the Suez Canal, or on whether the Shiek of Kuwait is going to shut off the oil supply of Kuwait, or whether the head of Arabia might decide that he likes the Japanese better than he likes Americans and terminate our concession.

We would like not to have our survival depend on a democratic government in Venezuela. In the event it might have a Communist government that would affect our survival.

That is the reason why we provided an incentive of 27.5 percent and the fast write-off. That is why we offered the incentive of some protection against oil imports.

Looking at the chart which indicates our needs and our reserves, we required in the previous 17-year period 59 billion barrels of oil reserves. We require 90 billion barrels of oil to supply the Nation's needs for 17 years.

Now let us see how the consumer has fared with respect to buying this product. If a man drove up to a gasoline station in the 1920's and bought a gallon of gas, he paid 20 cents a gallon. Today he pays about 32 cents a gallon.

Do Senators know where the difference comes? The difference is represented 100 percent by State, local, and Federal taxes. The 12-cent increase is due to the increased taxes imposed to build highways. The Federal Government has put taxes on oil products. The State government has imposed taxes. Cities have imposed taxes. They have been imposed for roads and other purposes.

If one considers the price of gasoline at the refinery gate—what the oil company gets for its product—he will find that the consumer is getting a better product, a product which has more power in it, and which is being sold at the same price as it was 20 years ago.

What other product can anyone point to which has the same record? None comes to my mind. But that product sells for the same price, so far as the industry is concerned, as it did 20 years ago. It is not the producers' fault that the Federal Government has imposed extra taxes. It is not his fault that the State has imposed a tax of anywhere from 7 to 12 cents a gallon on that product. We cannot blame the producer for the big taxes that the Federal Government, the State, and the cities have imposed on gasoline.

If we deducted the State and Federal taxes on the product, the product, which has more power in the package, would be selling for the same price that it did 20 years ago, or before World War II.

What does a working man today pay for a gallon of gas in terms of hours of work? For the average hour of work, the working man gets 8½ gallons of gasoline today. In 1956, just 10 years ago, he got 6.6 gallons of gas for 1 hour's work. In 1926 he got 2.4 gallons of gas for 1 hour's work.

Those figures include the tax. When you buy a gallon of gasoline, 50 percent of what you are paying is for taxes, not gasoline. Even so, you get almost four times as much for an hour's work today as you did back in 1926. What other industry can make that statement?

I say, Mr. President, the oil industry is not making any excessive profits. They are being taxed as heavily as the average for all manufacturing. They are making less profit. They are a depressed industry. This Senator is one of the people in the process of getting out of the oil business, just like I got out of the cattle business—I found I could find better ways to lose money.

The oil industry deserves better treatment than to be pilloried and crucified merely because, on one item, Federal income tax, they do receive considerate treatment by their Government in recognition of what their problems may be.

Mr. INOUYE. Mr. President, I send to the desk an amendment, and ask that it be read and made the pending business.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT LEGISLATIVE CLERK. The Senator from Hawaii [Mr. INOUYE] proposes an amendment as follows:

AMENDMENT NO. 168

At the end of the bill add the following new section:

"SEC. —. Section 303(c)(2)(B) of the Presidential Election Campaign Act of 1966 is amended by striking out '5,000,000' at each place it appears therein and inserting in lieu thereof '2,000,000'."

Mr. WILLIAMS of Delaware. Mr. President, I suggest the absence of a quorum.

Mr. LONG of Louisiana. No, no; will the Senator withhold that for a moment?

Mr. WILLIAMS of Delaware. I just wanted to find out when we were going to have a vote.

Mr. LONG of Louisiana. Mr. President, I send to the desk an amendment with certain modifications, and ask that it be considered as an amendment to the amendment.

The PRESIDING OFFICER. The clerk will report.

The ASSISTANT LEGISLATIVE CLERK. The Senator from Louisiana [Mr. LONG] proposes an amendment, No. 167.

Mr. WILLIAMS of Delaware. Mr. President, do I understand this is an amendment to the amendment just offered?

Mr. LONG of Louisiana. As a substitute for it. Let me explain what I have in mind here.

Mr. GORE. Mr. President, I insist that the amendment be reported.

Mr. WILLLAMS of Delaware. Would the Senator withhold that for just a moment? I want to help the Senator get to a vote tomorrow, and it would be easier if we could tell the Members of the Senate that there would be a vote. I was wondering if we could get the yeas and nays ordered on the Senator's amendment so that Senators would know there will be a record vote. Would the Senator from Louisiana object to

that? I thought perhaps we could arrive at an understanding on that point.

Mr. LONG of Louisiana. Mr. President, if the Senator will just permit me to talk a moment, I believe we can make better headway.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. LONG of Louisiana. That is all I am trying to do. I am not trying to breach anyone's rights at all. I promise everyone that, and I will be completely helpful in that respect.

Mr. President, the amendment I have sent to the desk has certain perfecting modifications of my own proposal, and I would prefer not to order the yeas and nays at this moment. We have a very highly competent staff on the Joint Committee on Internal Revenue Taxation, and also on the Committee on Finance, and we have available to us the extremely able assistance of the Legislative Counsel. Since the staffs and the Legislative Counsel drafted what I thought I wanted to offer as an amendment, they have studied it over, and have found certain material that I felt should not be a part of it. For that reason, I have modified the amendment. I would like for it to be printed, and to be at the desk. I would be happy to have the yeas and nays ordered at that time, before we vote on it.

Mr. WILLIAMS of Delaware. I understand the Senator wanted to vote.

Mr. LONG of Louisiana. But may I say to the Senator, I would be happy to agree to vote, and I do not think I will need to modify the amendment again before doing so; but if someone finds any technical error in it between now and noon tomorrow, I would like to have the right to modify my amendment, in the event I find I need to change a period to a semicolon, or take a word or two out, or delete something that might be in error.

Mr. WILLIAMS of Delaware. Mr. President, we would not be able to get consent to vote on an amendment if we do not know what the amendment is. I am trying to work with the Senator and expedite a vote. The suggestion has been made that we try to arrive at a vote at 3 o'clock tomorrow, and I am trying to work that out; but we cannot do so unless the Senator cooperates.

If we could get the yeas and nays ordered we could call the staffs to tell them if there is going to be a record vote on the proposal, and then Senators will know they had better get here for the vote.

Mr. LONG of Louisiana. It is my suggestion that the ranking minority member of the Committee on Finance contact his minority leader [Mr. DIRKSEN], and I would urge that the majority leader be urged to come into the Chamber, because the leadership have an obligation to protect the rights of Senators. If the Senator from Delaware is in a position to speak for the minority leader, besides himself, that will not be necessary.

Mr. WILLIAMS of Delaware. I have talked to the minority leader, and he wants to know when it will be laid down; and once it is laid down will there be a record vote or will it be withdrawn? When we know that, we can make our plans.

Mr. LONG of Louisiana. There will be a vote.

Mr. WILLIAMS of Delaware. Then we can get the staffs on the telephone lines immediately. That is the reason I asked if the Senator would not want to order the yeas and nays tonight, and then we can tell them there is to be a vote.

Mr. LONG of Louisiana. I would be willing to do it, if I might have some understanding that in the event I find there is some technical defect in my amendment that needs to be modified tomorrow, the Senator would be sympathetic toward a unanimous-consent request to modify the amendment.

Mr. WILLIAMS of Delaware. If they were strictly technical amendments I would have no objection.

Mr. LONG of Louisiana. Without changing the substance.

Mr. WILLIAMS of Delaware. But if there was a change in the substance it would be a different story.

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. LONG of Louisiana. If we could have that understanding, then I would be willing to have the yeas and nays ordered.

Mr. GORE. Will the Senator yield for a parliamentary inquiry?

Mr. LONG of Louisiana. I yield.

Mr. GORE. Mr. President, has the amendment been reported?

Mr. LONG of Louisiana. The amendment is the amendment which is at the desk, and is also at the Senator's desk.

Mr. GORE. I was submitting an inquiry to the Chair. Has the amendment of the junior Senator from Louisiana been reported?

The PRESIDING OFFICER. The amendment has been reported, but has not been read in full.

Mr. GORE. Mr. President, I insist that it be read.

Mr. LONG of Louisiana. Please do not do that. It is a fairly long amendment.

Mr. GORE. Mr. President, reserving the right to object to waiving the reading of the amendment, which I have sought to have done, the able junior Senator from Louisiana presented at this time yesterday a bill of 17 pages which he proposes to offer as a new title to the pending bill. My staff and I have spent considerable time analyzing that bill and studying it. I must acknowledge to my friend from Louisiana that I have found several utterly incomprehensible provisions and sections in it; evidently the typist must have picked up the wrong sheets. So it surely needed modification. But it was offered seriously as a 17-page bill, to solve our problems of election reform, 4 hours ago.

Now we have another bill of equal size introduced, and I insist that it be read. I do not want to have to wait until tomorrow morning to know what amendment is to be called up. So I object to dispensing with the reading of the amendment.

Mr. LONG of Louisiana. Mr. President, I will withhold offering of the amendment for a moment.

Mr. GORE. The amendment has not been offered, and the request has been made to dispense with the heading; and I object. The Senator may withdraw it if he likes.

Mr. LONG of Louisiana. Will the Senator be kind enough to just give me unanimous consent to respond to what the Senator said? I yielded to him to hear him talk.

Mr. GORE. Sure.

Mr. LONG of Louisiana. Mr. President, the amendment which I have at the desk is the same amendment that I presented yesterday, with these exceptions——

Mr. GORE. Mr. President, I still reserve the right to object.

Mr. LONG of Louisiana. I understand, but I am modifying the amendment to provide that a minor party would have to agree that it would not expend for the specified purposes more than a major party could get under the Presidential election fund for those purposes.

The next modification relates to minor party candidates, a third party candidate, such as former Governor Wallace or Martin Luther King or whoever it might be—if someone loaned him some money for his campaign, that person could notify the Comptroller General that this party owed him money. In the event that candidate were to secure more than 2 million votes, the person loaning him the money would, in effect, have a sort of lien against the first amount that might be coming from the fund.

The amendment would also be modified to provide that if any money remains in the presidential election campaign fund after the election, it would go into the general fund of the Treasury.

If the Senator will listen for a moment longer——

Mr. GORE. I am listening.

Mr. LONG of Louisiana. The next modification would then assure that if a single State or local committee is supporting a presidential candidate, that committee would be subject to the reporting requirement of the Corrupt Practices Act—as is the Williams amendment to the Corrupt Practices Act—but this does not apply to a State or local committee engaged purely and simply in supporting a congressional candidate.

The reason I offer that modification is that in seeking to set up a presidential campaign fund, I am not proposing to extend it or any related provisions to congressional and senatorial elections.

I am trying to do something about the presidential campaign. I am not personally trying to regulate the congressional campaigns.

I am not seeking to strike out the Williams-Gore amendment. I am merely seeking to provide what the law would be after the expiration on July 1 of this year, of the so-called Long Act. I am seeking to provide what the law would be thereafter. Under those conditions, I simply would modify the amendment in the fashion suggested.

The Senator can insist on the reading of the amendment if he wants to. It

would be about 20 pages long. My suggestion is that we lay it down over night. If the Senator wants to have it read, I am going to leave somebody to adjourn the Senate and I am going to go to the party of the American Society of Newspaper Editors and the Senator can sit here and listen to the reading of the amendment to his heart's content.

I do not see any purpose to be served in sitting here and listening to it.

Mr. GORE. Mr. President, further reserving the right to object, we are dealing with a most vital function of our Government, the election of its public officials.

We are asked here to accept, with this explanation of the modification that has taken several minutes to briefly explain, an effort that is being made to vote at 3 o'clock tomorrow on an amendment which no one has as yet read, which has not yet been printed. Yet, the plea is made that it should not even be read.

It is difficult to prepare a responsible and reasonably authentic analysis of these measures, 20-page documents, with such a brief period of notice.

If the Senator wishes to have a rollcall as it is, then I would yield and feel confident that I could take an early start at it tomorrow morning and know that this was the measure and I could make my statement a little later on.

The Senator has suggested modifications that are really important modifications.

Mr. LONG of Louisiana. Mr. President, tomorrow morning the amendment will be printed in one piece and the Senator can read it consecutively in exactly the order in which it should be. I have a 19-page speech to explain the amendment. I could give that speech this evening or tomorrow, but I do not see any point in having the amendment read for half an hour when the amendment will be available to everybody and everybody can read it overnight and study it and look for any flaws in it.

It was not my idea to have the yeas and nays tonight. The Senator from Delaware thought it would be a good idea. We are willing to go along with it.

I would have asked for the yeas and nays tomorrow, but I wanted to modify my amendment. We have been working on the amendment for several hours to check all the little details.

I would be willing to take a chance that we have it precisely the way we want it.

I am trying to be agreeable. It would be a waste of time to sit around and have the amendment read when only six or eight Senators are present on the floor. We want to study the amendment anyway.

I am sure the Senator and his staff would like to study it even after we get through with the reading of the amendment. They would still want to talk with the Finance Committee staff and the Joint Committee on Taxation staff and the legislative counsel. They will want to know all about it.

Under the circumstances, what does the Senator want to do? If he wants to have the measure read, all right. I will wait.

Mr. WILLIAMS of Delaware. The Senator has a right to modify his amendment. It would help to expedite the vote if we could have the yeas and nays ordered tonight.

Mr. LONG of Louisiana. With those modifications, I am willing to have the yeas and nays ordered.

Mr. GORE. Mr. President, I further reserve the right to object.

Mr. LONG of Louisiana. I hope the Senator will not insist on having the amendment read now.

Mr. GORE. If the Senator will supply me with a copy and agree to have the yeas and nays ordered on his amendment——

Mr. LONG of Louisiana. As modified.

Mr. GORE. As modified, then I would not insist. Can the Senator furnish me with a copy?

Mr. LONG of Louisiana. Yes, I can.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GORE. Mr. President, I withdraw my objection to dispensing with the reading of the amendment.

Mr. LONG of Louisiana. Mr. President, there has been some discussion of when we will vote on the Long amendment tomorrow. I understand that there has been some discussion about the possibility of a unanimous-consent request so that Senators can make their plans. We have been exploring the possibility of setting a vote at, let us say, 3 o'clock tomorrow and dividing the time equally. I believe we have an agreement that there will be two speeches in the morning.

The PRESIDING OFFICER. The Senator is correct.

Mr. LONG of Louisiana. We can come in at 10 o'clock tomorrow.

The PRESIDING OFFICER. We already have a unanimous-consent agreement for 11 o'clock and for two speeches to be made.

Mr. LONG of Louisiana. We can divide the time and start at 1 o'clock and be able to vote at a later hour.

Mr. WILLIAMS of Delaware. Mr. President, I always try to work with the Senator from Louisiana to expedite a vote. Now that we have the yeas and nays ordered we can make our plans.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS of Delaware. The amendment offered by the Senator from Louisiana is an amendment to the amendment offered by the Senator from Hawaii [Mr. INOUYE], which makes his amendment an amendment in the second degree and that is not subject to an amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. WILLIAMS of Delaware. A substitute would be in order, but the vote on the substitute would not come prior to the vote on the Long amendment.

The PRESIDING OFFICER. The perfecting amendment takes precedence, and the substitute would not be in order.

Mr. WILLIAMS of Delaware. That is correct. The Long amendment would be offered as a perfecting amendment, would it not?

Mr. LONG of Louisiana. That is not correct.

Mr. WILLIAMS of Delaware. I mean to the Inouye amendment.

The PRESIDING OFFICER. The Long amendment is a perfecting amendment.

Mr. LONG of Louisiana. It is a substitute for it.

Mr. WILLIAMS of Delaware. I beg the Senator's pardon. It is not offered as a substitute. It is offered as an amendment to.

Mr. LONG of Louisiana. It is offered as a substitute for it.

Mr. WILLIAMS of Delaware. It is not. It is offered as an amendment. I specifically spelled it out in my inquiry.

Mr. GORE. Mr. President, I ask that the reporter read the record.

The PRESIDING OFFICER. The Senator from Louisiana offered his amendment as an amendment to the Inouye amendment, or as a perfecting amendment.

Mr. WILLIAMS of Delaware. He has offered it, and the yeas and nays have been ordered.

Mr. GORE. Mr. President, the order of business cannot be changed.

The PRESIDING OFFICER. The Senator from Louisiana has offered it as a perfecting amendment.

Mr. LONG of Louisiana. Mr. President, I offer a substitute for the Inouye amendment.

Mr. GORE. Point of order.

Mr. WILLIAMS of Delaware. Point of order.

Mr. GORE. The amendment has already been offered, and the yeas and nays have been ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. LONG of Louisiana. I understand it. It is still in order for me to offer a substitute for it.

Mr. WILLIAMS of Delaware. No, it is not. We vote on that.

Mr. LONG of Louisiana. The Senators may think they have me in a trap.

Mr. WILLIAMS of Delaware. I do not believe I have the Senator in a trap. I am trying to help him.

Mr. GORE. We are not trying to get the Senator from Louisiana in a trap.

Mr. LONG of Lousiana. I simply want a straight vote on my amendment, and I desire to use the same approach that was used by the Senator from Delaware [Mr. WILLIAMS] and the Senator from Tennessee [Mr. GORE].

Mr. WILLIAMS of Delaware. The amendment of the Senator from Louisiana is in a position now, as I understand it, in a parliamentary position where we could not amend it if we wished to.

Mr. LONG of Lousiana. The Senator is correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. WILLIAMS of Delaware. That is my understanding of what the Senator from Louisiana desired. However, it is in a parliamentary position where a substitute for the whole package would be in order.

The PRESIDING OFFICER. First there would have to be a vote on the Long amendment, the perfecting amendment, and after that has been voted on, a

substitute for the Inouye amendment, as amended would be in order, if the perfecting amendment had been agreed to.

Mr. WILLIAMS of Delaware. That was my understanding. I believe that we understand the position.

Mr. GORE. That is the way it was in the first place.

Mr. LONG of Louisiana. I thought I was offering it as a substitute. But having thought about it, I am in a better position the way it is. Having thought about it, I am happy I did it that way. I had more wisdom than I thought I had.

Mr. GORE. We are trying to help the Senator.

Mr. LONG of Louisiana. I appreciate all the help.

Mr. GORE. To keep the parliamentary procedure straight.

Mr. LONG of Louisiana. I did not realize how wise I was when I did it. Now I realize that I am wiser than I thought, and I am happy about the matter.

It shows that when one tries to do the right thing, he seems to land on his feet, even when he starts out with his weight on the wrong foot.

So, Mr. President, if Senators will inquire about the possibility of a unanimous-consent request, I shall be glad to discuss it with them any time today or tomorrow.

Mr. WILLIAMS of Delaware. I should like to get this vote over with as soon as possible, but we are not in a position to do so tonight.

Mr. LONG of Louisiana. I am of the opinion that the longer we drag this matter out, the better it is for me. I believe that time is on my side.

This reminds me of a story that former Senator Ashurst used to tell. He said that he used to be a prosecuting attorney in Arizona. The sheriff caught a man who had stolen a boxcar full of butter.

The defense counsel came into court and asked for a delay. The district attorney, Mr. Ashurst, agreed to the delay. A trial date was set, and then the defense counsel came into court and asked for another delay. The district attorney agreed to the delay. When the district attorney got ready to try the case again, the defense counsel asked for another delay. The prosecuting attorney said:

I'll give you all the delays you want, because I'm satisfied that the longer this thing goes, the stronger my evidence will be.

I am satisfied that the longer this matter is dragged out, the stronger my case will be. I am happy that the word is beginning to get to the American people about the Honest Election Act of 1967, and that we are fighting in the Senate to see that every mother's son can run for President, even if he is not a millionaire.

I am satisfied that the longer this matter takes, the better it will be for me. But in the spirit of cooperation, loving those who wish to get on with the business and pass the investment tax credit and help business, I am willing to agree to a limitation to vote, even though I enjoy discussing this subject. One thing people love to do is talk about something that they understand; and I believe I understand this measure because I have been working on it for some time.

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

Mr. LONG of Louisiana. I yield to the distinguished and beloved minority leader.

May I say to the Senator from Illinois that it was not until the last weekend that I heard the record "Gallant Men"; and I say to the Senator that he did a magnificent job. It is a credit to him and a credit to the Republic. It is a credit to the Republican Party, and it is a credit to America. I enjoyed it very much.

I do not believe the Senator from Illinois was at his best on the Gettysburg Address, but his rendition of "Gallant Men" itself was magnificent, and his part about how the battle was actually fought at Gettysburg was impressive.

Mr. DIRKSEN. I thank the Senator. Now will the Senator yield?

Mr. LONG of Louisiana. I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, in the spirit of cooperation and in the tradition of "Gallant Men," and to make sure that our distinguished friend, the Senator from Louisiana, will have the fellowship of his editors, could I respectfully suggest that we now adjourn?

Mr. LONG of Louisiana. Mr. President, I have a wonderful speech to deliver. I shall try to present my views on this matter in very short order, and then I shall move to adjourn.

In the meantime, if the Senator would like to attend the reception for the American Society of Newspaper Editors, which I believe is now in full swing at the Shoreham Hotel, he can be on his way; and I will promise him that nothing will happen between now and the time we meet tomorow.

Mr. DIRKSEN. Regretfully, I cannot attend that reception.

Mr. LONG of Louisiana. For the past 2½ weeks a small band of Senators have been directing all sorts of criticisms at the Presidential Election Campaign Fund Act of 1966. Some said the act went too far. Others said it did not go far enough. Some of the objections were invalid; others were petty.

By the end of last week those Senators had convinced themselves that all the bad things they had said about the act were true and it had to go. So far as this Senator is concerned, the only bad thing some of those Senators saw about the act was its objective—honest, clean campaigns for the highest office in our land, the office of President of the United States. Apparently, from those Senators' standpoint, the fault of the act was that it put us too far down the road of honesty in elections—it did too much to equalize the chances of a principled poor man being elected President with those of either a puppet of vested interests or a wealthy son of a billionaire.

That is the real fault in last year's act. Of all the Republican Members of the Senate, only the junior Senator from Kentucky was courageous enough to stand and be counted in favor of clean financing of presidential elections. I applaud him for heeding his conscience.

Some of the 15 Senators on this side of the aisle who voted to repeal last year's law probably were trying to perpetuate the present system which favors the candidacy of a wealthy man.

I have carefully studied the debates over the last 2 weeks, analyzing all the objections, both real and fancied, which were voiced against the Presidential Election Campaign Fund Act. I have listened to all the arguments and I have studied the record. My study convinces me that despite all the talk, a majority of the Senate wants to provide for a presidential election free of the suspicion of improper influence which accompanies reliance on large private contributors to pay the tremendous costs of today's political campaigns. A majority of the Senate wants to provide for the kind of campaign in which any candidate who has the ability can run for President, knowing his chance is not prejudiced because he has no great personal wealth. A majority of the Senate wants to separate commitments from contributions. As I said the other day, my analysis of the vote that occurred on this question indicates that had every Senator been in his seat, the vote would have been in favor of the side I advocated; it would not have been in favor of the other side. When the so-called Gore-Williams amendment prevailed on a close vote, I was unable then to reverse it; but I reserved the right to try again sometime in the future to prevail on this question by other means.

I shall now exercise that right to try again.

The amendment which I have just offered—placing in H.R. 6950 a title II, the Honest Election Act of 1967—would undo the wrong that I believe was done by the Senate last week when it adopted the Gore-Williams amendment to repeal, as of July 1, 1967, the Presidential Election Campaign Fund Act of 1966. My amendment uses last year's act as a basis, but blends into that statute many important reforms which cure the criticisms of last year's law that many Senators have expressed during the pending debate. Here is how the Honest Election Act would work.

EXPLANATION OF HONEST ELECTION ACT OF 1967

The fund: Every individual taxpayer may designate on his tax return that $1 of his tax is to be paid into a presidential election campaign fund. The presidential election campaign fund would be made up exclusively of the $1 amounts designated by taxpayers. The amounts so designated would be appropriated by Congress to be paid to presidential candidates in accordance with the formula specified in the act. This formula is described below.

The formula: Under the act, payments to major party candidates would be determined solely on the basis of votes cast at the last presidential election for major party candidates. Payments to minor party candidates would be determined on the basis of their performance at the last election or the current election, whichever produced the larger payments.

First. Major party candidates: A major party would be one whose candidate for President received at least 15 mil-

lion votes in the preceding election. The candidate of such a party would be entitled to reimbursement for certain of his presidential campaign expenses up to an amount equal to 50 cents for each vote received by all major party candidates in the last election, reduced by $5 million for each major party. This would be so because the major party candidates would share equally in the fund made up of $1 tax checkoffs after a $5 million reduction for each major party—there were two such parties in the 1964 election.

Second. Minor party candidates: A minor party would be one whose candidate for President received at least 2 million but less than 15 million votes in the preceding election. The candidate of such a party would be entitled to reimbursement for certain of his presidential campaign expenses up to an amount equal to $1 for each vote he received in excess of 2 million votes in either the preceding or the current presidential election, whichever produced the larger payment.

Creditors of minor party candidates: Individuals who advance funds to presidential candidates of minor parties would be permitted to register with the Comptroller General. This registration would determine their place in line for the purpose of receiving repayment of the amounts they had advanced for the campaign. The creditors would receive payment up to the amount allocated to the minor party candidate through the tax checkoff.

Short falls and excess funds: After each presidential campaign, money not needed for payment to presidential candidates would be restored to the Treasury. If the fund were not sufficient to pay fully the candidates in the presidential election year, payment would be made pro rata and the difference would be paid in the following years as the fund is replenished through new tax checkoffs.

Campaign expenditure guidelines: Payments received by a candidate from the fund have to be used solely for the following kinds of expenses incurred after August 31 of the election year: travel and transportation; radio, television, and motion picture production and time; newspaper and periodical advertising; preparation, printing, and distribution of campaign literature, including posters and billboards; postage, telegraph, telephone, and expressage; and research and analysis, including polls, surveys, and data processing.

Authorized agent: Under the act, all expenditures for the specified purposes would have to be approved by the candidate or an "authorized agent" he would specifically designate for that purpose. In addition, expenditures for radio, television, and motion picture time and production, and for newspaper and periodical advertising would have to be approved either by the candidate or his agent in advance of the incurring of the expense. This authorized agent would not be part of the regular party organization. If he were serving as officer, employee, or member of the national committee of a political party or of a State or local committee of a political party, he could not serve as the candidate's agent to receive and disburse payments from the fund.

Private contributions: A major party candidate would have to elect to have all of the specified campaign expenses paid either from the presidential election campaign fund or from private contributions. No payment from the fund could be made to a major party candidate unless he certifies that he has not accepted or spent any contribution for the specified items in connection with his presidential campaign. A minor party candidate could receive contributions for his presidential campaign in addition to any fund payment to which he was entitled, but he could not spend from the combination of contributions and fund payment for the specified items more than the fund payment to which a major party candidate was entitled. Individuals or organizations controlled by a major party candidate would not be allowed to receive contributions with respect to items for which reimbursement is provided under this act.

Administrative features: The Comptroller General would determine the popular vote and certify amounts payable to any candidate to cover qualified expenses actually incurred in the presidential campaign. An advisory board would be established to assist the Comptroller General in his duties under the bill. It would have two members from each of the political parties to protect their interests. There would be three members to represent the public interests.

Audits and repayment: After each presidential election, the Comptroller General would conduct a thorough examination and audit of all presidential campaign expenses of each presidential candidate to whom fund payments were made. If the Comptroller General were to determine that the fund payments exceeded the qualified presidential campaign expenses of the candidate or what the candidate was entitled to, the candidate would have to repay the excess fund payment. If the fund payment was used for personal purposes or purposes other than a qualified presidential campaign expense, then, unless the candidate could show the misuse was due to reasonable cause and not to willful neglect, he would have to pay an additional 25 percent of the amount misused.

Disclosure: The Comptroller General would be directed to file a detailed report to Congress of the fund payments to each candidate, the expenses of each party for which payment was made, and any repayments which a candidate might be required to make. This report would become a public document.

Criminal penalty: A fine of up to $10,000 or imprisonment of up to 5 years, or both, would be imposed for a willful misuse of funds received under the act, including the use of such funds for personal purposes or kickbacks. In the case of kickbacks, the penalty would apply both to the person who paid it and to the person who received it. In addition, the person receiving the kickback would be required to pay to the Treasury an amount equal to the kickback plus a 25-percent penalty.

Corrupt Practices Act: Reporting requirements of the Corrupt Practices Act would be extended to committees supporting presidential candidates. The act would apply not only to multi-State committees, but also to committees operating solely within a single State.

Effective date: The act would become effective July 1, 1967. The tax checkoffs provided under this act would apply with respect to taxable years ending after June 30, 1967. For most taxpayers this would mean the checkoffs could be made on tax returns they file by April 15, 1968, for the calendar year 1967.

AMENDMENT ANSWERS ARGUMENTS OF OPPONENTS

This amendment answers the arguments of the critics of the Long act and incorporates many of the suggestions advanced by my colleagues during the recent debate. For example, it repels the attack of the Long act's most vocal opponents, the senior Senators from Tennessee and Delaware, with regard to a lack of guidelines as to how the money available from the campaign fund could be used. The guidelines provision of my amendment is derived from the amendment of the junior Senator from Connecticut which was adopted by the Senate by a vote of 75 to 12, but which will be repealed July 1, 1967, under the Gore amendment.

The amendment of the Senator from Connecticut provides that 75 percent of the payments from the fund are to be used only for the following kinds of presidential campaign expenses: reasonable allowances for salaries of presidential campaign personnel; reasonable allowances for rent and overhead; television and radio production and time; newspaper and periodical advertising; printing, postage, and distribution of campaign literature; telephone and data processing; travel and transportation. It provides that the remaining 25 percent of the payments from the fund can be used for any purpose, including the items just mentioned, determined to be proper by the Comptroller General and his Advisory Board.

However, in response to the thought of the Senator from Tennessee that practically all of the campaign expenditures of a presidential candidate are covered under the categories listed, in the amendment I offer today, 100 percent of the fund payments must be used for expenditures that fall into one of the categories named. However, salaries of campaign personnel and overhead would not be payable from the fund. This use of all of the fund money for certain, limited purposes, the kind that can be more easily verified, goes in the direction desired by the junior Senator from Maryland. And taking the suggestion of the Senator from Maryland, this amendment would prohibit private contributions from being obtained or spent by a major party candidate for any of the items for which the fund payments were used. If a major party presidential candidate elected to use any fund money at all, not only could he not, but also any organization he controls could not receive or spend private contributions for the enumerated purposes. Thus, if the

major party candidate elected, no money other than from the presidential election campaign fund could be used and all of the money from the presidential election campaign fund would have to be used in a presidential campaign for these purposes: traveling and related expenses of the presidential and vice-presidential candidates and their campaign personnel; radio, television—and I would also say motion picture—production and time; newspaper and periodical advertising expenses; expenses for the preparation, printing, and distribution of campaign literature, including posters and billboards; expenses for postage, telegraph, telephone, and expressage; and expenses for research and analysis, including contracts for polls, surveys, and data processing.

Considering another criticism, there was the junior Senator from New York who seemed most upset that the fund payments would give too much power to a national committee. He indicated a national organization could use the money to effectuate party nomination of one presidential candidate over another and to bring recalcitrant members of the party into line, such as Senators and Representatives whose votes and loyalty would be insisted upon in return for judicious use of the money in their States and districts.

The amendment which I offer today overcomes that problem by requiring that disbursement of the fund payments be made not to a political party as in last year's law, but to the presidential candidate of an eligible party or to an agent that the presidential candidate specifically authorizes to receive the payments. Thus, there could be no finagling by a party's national committee before the payments were made, on the assumption that the national committee was going to get the money. The payments would go to the candidate who would decide how and where to use the money best to win the election. Since he is the person most affected, he should have the responsibility of receiving the payments and deciding on their use.

An authorized agent appointed by a candidate to handle the fund payments cannot be any party committee officer, member, or employee. This insures that there can be no divided loyalty between candidate and party over use of the fund money. It is the candidate's to use, as he will, for the qualified expenses. He or his agent must approve every expense incurred on his behalf and his approval must be in advance of incurring expenses for radio, television, motion pictures, newspaper, and periodical advertising.

Another criticism expressed over and over again since last year's Long Act was passed has been that parties other than the Republican and Democratic were treated unfairly and, in effect, were prevented from ever becoming significant influences in presidential elections. The senior Senator from Wisconsin offered an amendment to the Williams amendment to H.R. 6950 which I supported and thought did a great deal to help any significant third party that might arise.

This Honest Election Act I now propose contains a provision patterned along the lines of that of the Senator from Wisconsin. It is designed to recognize more properly the emergence of a strong third party or the realinement of the existing parties and to provide rules for reimbursing candidates of such parties on the basis of their showing in the current election. Last year's Long Act limited its payments to parties which received more than 5 million votes in the preceding presidential election. In 1964, there were only two parties which obtained more than 5 million votes—the Democratic Party and the Republican Party. It has been argued that, because only these two parties will be eligible for reimbursement in 1968, the new law discriminates against other parties and their candidates.

In my present amendment, however, I would define a minor party whose candidate would be entitled to a fund payment as one which received more than 2 million but less than 15 million votes and I would permit reimbursement to candidates of such a party on the basis of the current election results, if in that election the party had obtained more votes than in the previous election. Major party candidates—those who receive 15 million or more votes—would continue to be paid only on the basis of the prior election results.

It is extremely unlikely that a third party in one election could increase its vote enough so that based on a dollar a vote in excess of 2 million in that election its candidate could receive from the fund more than that due the major parties whose payments were calculated on the vote in the preceding election. But it is possible that a new party arising from the remnants of a dying major party might pick up the vote that previously had gone to the deceased major party plus other votes and its candidate might be in a position as a result of one election to receive a larger payment than candidates of existing major parties were entitled to. Thus, the amendment would prohibit the candidate of a minor party on the basis of its showing in the current election from receiving payment larger than that to which the candidate of a major party was entitled. The payment based on a current election, of course, could not be paid until after the election and would still be limited to the qualified expenses which the candidate actually paid or incurred in the presidential election campaign.

Because of the post-election payment, if any, to a candidate of a party which failed to receive 2 million votes in the preceding election, private contributions could be received and spent by such a candidate for the qualified expense items as well as for other items not considered qualified expenses under this amendment. Major party candidates could only use contributions for other than qualified expenses if they took any payments from the fund. Of course, minor party candidates could not use fund money to pay expenses for which contributed money had been used.

In addition to contributions, it is probable that pending a post-election payment from the fund, a third-party candidate would borrow money to pay qualified expenses and then would repay such loans from any fund payments received after the election. Therefore, so as not to inhibit lenders from making money available to third-party candidates, the amendment would permit lenders to register with the Comptroller General who would then, if any fund payments were due the candidate after the election, reimburse the lenders from such fund payments in the order in which they had registered.

Prior to the Gore amendment's repeal of all Presidential Election Campaign Fund Act provisions, effective July 1, 1967, I offered an amendment to H.R. 6950 to provide a specific criminal penalty for the misuse of funds received under the act. My amendment was passed on a rollcall vote of 89 to 3.

The plan I now offer would contain a similar penalty provision. As I said when the Long Act was being debated last fall, I am convinced that the present Federal criminal law, particularly sections 1001 and 1002 of title 10 of the United States Code, adequately provide for any violations of this act. But to soothe those who want to see a penalty specified in the campaign financing law itself, I have included a provision to impose a fine of not more than $10,000 or imprisonment of not more than 5 years, or both, for any violation of the act, such as the willful and knowing misuse of fund payments, the furnishing of any false information to or the failure to furnish information to the Comptroller General required by the act, the failure to repay to the Treasury excess fund payments or the willful and knowing giving or accepting of a kickback or other illegal payment in connection with a qualified expense. The penalty would be identical to the penalty now provided under sections 1001 and 1002 of title 18 of the United States Code for fraud against the Government.

As a part of the amendment that the Senate adopted putting criminal penalties in the Long Act was a section spelling out that payments under this act were not to be considered contributions in applying that limitation in the United States Code which restricted contributions and expenditures by "political committees" by $3 million. Such a provision is also in the Honest Election Act I present today. I stated categorically last year that the $3 million limitation would not apply with respect to payments under the Long Act. Those who question this cannot have examined the law very closely. Title 18 of the United States Code refers to contributions to political committees. The Long Act, as well as this new one I am presenting, on the other hand, actually have nothing to do with contributions. The term "contribute" means to give or supply in common with others; to share in a joint effort. The financing of presidential elections with Federal tax revenues is not a voluntary, joint effort to give funds. Rather, it is an appropriation of funds by Congress to which the candidates have a statutory right. Moreover, it is not part of a joint effort. As a result, it is not a contribution, and therefore, does not come under the limitation of present law. In addition, under my amendment today, what is involved

is a payment to candidates of political parties, not payments to political committees. As a result, it should be clear the present $3 million limitation does not apply. But a provision of my amendment today would place it in black and white in the law that the $3 million limitation is inapplicable to payments from the presidential election campaign fund.

Other provisions in my amendment today which strengthen last year's Presidential Election Campaign Fund Act, which resolve problems various Senators may have had with last year's law, and which are included in S. 1407, the bill I introduced to amend last year's law and on which I had hoped the Finance Committee would hold hearings are provisions directing audits of campaign spending, calling for repayments by candidates of money not used for proper presidential campaign expenses, clarifying that presidential expenses include those of vice presidential candidates, and requiring public disclosure of all fund payments and the uses to which they were put.

The audit provision would direct the Comptroller General to conduct after the presidential campaign a thorough examination of the expenses incurred by each candidate in carrying on the presidential campaign and to require a repayment from the candidate if any of the fund moneys were found to have been used for other than presidential campaign expenses or if the fund payments were in excess of what the candidate was entitled to. If the Comptroller General should find that the candidate knew that he was using money from the fund other than for a qualified expense of the presidential campaign or if he spent more fund money than he was entitled to, there would be exacted upon him a civil penalty of an additional 25 percent of the amount misused or of the overexpenditure.

As part of his general duties and function, the Comptroller General probably already has authority to conduct the postelection audit, but it will not hurt to vest this authority specifically under this act. And there should be provisions in the law in the event it is discovered that payments from the fund have been mishandled.

A definitional provision clarifies another point that has been raised about the 1966 Long Act. Payment would be assured for the campaign costs of a vice presidential candidate as well as of a presidential candidate. I believe that last year's act and legislative history fully provided for payment of expenses connected with vice presidential candidates. But for those purists who desire to see such matters spelled out in the act, I have included the appropriate clarification.

Finally, my amendment today would call for the Comptroller General to file a full and detailed report to Congress after each presidential election of the payments from the fund made to each candidate, the expenses of the candidates for which payments were made, and the repayments, if any, which the candidates were required to make to the fund. This report would be printed as a Senate document. I stated in the Senate last year that the Comptroller General's findings and actions would be a matter of public record, but again it may be preferable to assure such a result by requiring it in the statute.

As can be seen, the Honest Election Act of 1967 is a composite of thoughts expressed by a great many able Senators who are expert in the operations of political parties. It contains the best thoughts of a lot of people. For this reason, it deserves the best thoughts of the Senate.

By placing this amendment in the law, we would have a strong, honest method of financing presidential campaigns. I urge that it be adopted. However, I do regret that it is necessary to force this issue to be decided on the floor of the Senate. If the courtesy that is normally present in the Senate had been extended in this case, there need have been no such legislating on the floor. The matter could have been handled in the proper and orderly manner of being studied and decided upon in committee.

As I have said before, I want the very best election and campaign financing laws possible and toward that end the Senate Finance Committee would have conducted a thorough, comprehensive hearing, if I had my way, and would have brought back to the Senate solid legislative recommendations. I would still appeal for that solution to our dilemma. But if that is not possible parliamentarywise because of the adoption of the Gore-Williams amendment, then I am prepared to conduct the searching analysis here on the floor that we would have done in committee. I believe that the amendment I have introduced today can withstand that analysis and emerge as a sound piece of legislation needed on our statute books.

After it has been accorded due consideration here in the Senate, I hope the amendment will be adopted and enacted into law so that we can proudly proclaim for all to hear that the Presidency of the United States is not for sale.

## ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. LONG of Louisiana. Mr. President, if no other Senator desires to make a speech or introduce bills, I move, in accordance with the previous order, that the Senate stand in adjournment until 11 a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 10 minutes p.m.) the Senate adjourned until tomorrow, Thursday, April 20, 1967, at 11 a.m.

## NOMINATIONS

Executive nominations received by the Senate April 19, 1967:

IN THE NAVY

The following-named officers of the Navy for permanent promotion to the grade of rear admiral:

LINE

| | |
|---|---|
| William C. Abhau | John J. Lynch |
| Walter V. Combs, Jr. | David B. Bell |
| Earl R. Crawford | Donald M. White |
| Walter F. Schlech, Jr. | Roger W. Mehle |
| Thomas S. King, Jr. | Frederick H. |
| Ed R. King | Schneider, Jr. |
| Ralph W. Cousins | Vincent P. de Poix |
| Donald "G" Baer | Thomas J. Walker III |
| Richard G. Colbert | Eugene P. Wilkinson |
| Walter L. Curtis, Jr. | Frederic A. Bardshar |
| John E. Dacey | Lawrence R. Geis |
| Woodrow W. McCrory | C. Edwin Bell, Jr. |
| Philip A. Beshany | Frank C. Jones |
| Robert W. McNitt | Paul A. Holmberg |
| Raymond F. Du Bois | Donald M. Showers |
| Ralph Weymouth | Harry C. Mason |
| Evan P. Aurand | Jamie Adair |

MEDICAL CORPS

| | |
|---|---|
| Frank T. Norris | Harry S. Etter |
| John S. Cowan | |

SUPPLY CORPS

| | |
|---|---|
| Kenneth R. Wheeler | George E. Moore II |

CIVIL ENGINEER CORPS

Robert R. Wooding

## CONFIRMATIONS

Executive nominations confirmed by the Senate April 19, 1967:

UNITED NATIONS

The following-named persons to be representatives of the United States of America to the fifth special session of the General Assembly of the United Nations:

Arthur J. Goldberg, of Illinois.
William B. Buffum, of Maryland.
Richard F. Pedersen, of California.
Mrs. Eugenie Anderson, of Minnesota.
Samuel C. Adams, Jr., of Texas.

The following-named persons to be alternate representatives of the United States of America to the fifth special session of the General Assembly of the United Nations:

Garland R. Farmer, Jr., of California.
Michael Iovenko, of New York.

FEDERAL RAILROAD ADMINISTRATION

Albert Scheffer Lang, of Minnesota, to be Administrator of the Federal Railroad Administration.

INTERSTATE COMMERCE COMMISSION

George M. Stafford, of Kansas, to be an Interstate Commerce Commissioner for the term of 7 years expiring December 31, 1973.

COMMUNICATIONS SATELLITE CORP.

William W. Hagerty, of Pennsylvania, to be a member of the board of directors of the Communications Satellite Corp. until the date of the annual meeting of the corporation in 1970.

FEDERAL MARITIME COMMISSION

James F. Fanseen, of Maryland, to be a Federal Maritime Commissioner for the term expiring June 30, 1971.

NATIONAL TRANSPORTATION SAFETY BOARD

Francis H. McAdams, of the District of Columbia, to be a member of the National Transportation Safety Board for the term expiring December 31, 1967.

Louis M. Thayer, of Florida, to be a member of the National Transportation Safety Board for the term expiring December 31, 1968.

Joseph J. O'Connell, Jr., of Maryland, to be a member of the National Transportation Safety Board for the term expiring December 31, 1969.

John H. Reed, of Maine, to be a member of the National Transportation Safety Board for the term expiring December 31, 1970.

Oscar M. Laurel, of Texas, to be a member of the National Transportation Safety Board for the term expiring December 31, 1971.

IN THE DIPLOMATIC AND FOREIGN SERVICE

The nominations beginning Dr. Charles E. Klontz, to be a Foreign Service officer of class 1, a consular officer, and a secretary in the diplomatic service of the United States of America, and ending Edward H. Wilkinson, to be a consular officer of the United States of America, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 9, 1967; and

The nominations beginning Delmar R. Carlson, to be a Foreign Service officer of class 1, and ending John M. Yates, to be a Foreign Service officer of class 6, and a consular officer of the United States of America, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 22, 1967; and

The nominations beginning Alan W. Ford, to be a Foreign Service officer of class 3, a consular officer, and a secretary in the diplomatic service of the United States of America, and ending Russell M. Winge, to be a consular officer of the United States of America, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 23, 1967.

# EXTENSIONS OF REMARKS

## Voice of America

EXTENSION OF REMARKS
OF
**HON. JAMES KEE**
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
*Wednesday, April 19, 1967*

Mr. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include last week's public service television and radio newscast, "The Kee Report." The subject discussed is the Voice of America.

The report follows:

This is Jim Kee, bringing you the Kee Report.

Most Americans are aware that Soviet Russia and Red China will employ military force to advance the aims of Communism whenever they get a chance. However, there is another form of Communist aggression, equally dangerous, which people in the free world do not fully realize.

This second form of aggression is a form of intellectual warfare waged every day of the year by the masters of Moscow and Peking against the free institutions of democracy. The purpose of this campaign is to mislead people everywhere for their expected Communist take-over. In this campaign of falsehood, special programs are tailored for every country on earth.

The power of modern mass communication is employed to advance the cause of Communism and to sow fear and distrust of democratic government. There are radio and television programs, newspapers, leaflets, magazines and books—with special emphasis on carefully doctored textbooks, which are furnished at very low cost to poor governments. Taken in the mass, this worldwide propaganda carried on by the Communist countries is the most extensive campaign of falsehood and slander the human race has ever known.

If the free governments had let this go unanswered, the cause of freedom would be in a bad way indeed. Fortunately, right after World War II, the officials of our Government recognized this special form of Communist aggression and set up a practical program to nullify its effects.

The agency charged with this task is popularly known as the Voice of America. Actually, this is the name given to American broadcasts in foreign countries. But the work of the United States Information Agency is far more extensive than just broadcasting. Every Communist lie is tracked down to its source, and answered. Every assault upon free institutions is exposed, and repulsed. Around the clock on every continent, in nearly 40 languages, the men and women who conduct our information service are using the healing balm of truth to offset the poison of Communist propaganda.

The Information Agency employs every form of publication, motion pictures and exhibits to tell the story of democracy and freedom to foreign audiences.

There are now millions of people on this planet who depend for their daily news reports upon the special news service prepared and broadcast by our Government. These listeners include untold thousands behind the Iron Curtain who realize that all news reports in their own country are distorted by official propaganda.

The preparation of this daily report is a fascinating story in itself. The basic facts are put together here in Washington with scrupulous regard for truth and objectivity. These news reports are then beamed overseas by 35 transmitters in the United State and 57 more on foreign soil with total power of 15 million watts. Translators then convert them into foreign tongues for broadcast to local audiences.

Today Uncle Sam operates one of the greatest news agencies in the world. Unfortunately, there are two others which are even larger. One is operated by Soviet Russia and broadcasts nearly twice as much as we do. The other is operated by Red China. This gives you some idea of the massive job which must be done.

## On Release of Nickel

EXTENSION OF REMARKS
OF
**HON. RICHARD L. ROUDEBUSH**
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
*Wednesday, April 19, 1967*

Mr. ROUDEBUSH. Mr. Speaker, this week the House of Representatives has an opportunity to help thousands of industries throughout our Nation.

Thursday, we will consider H.R. 5786, the bill which will release Government stockpiled nickel. This measure will release 60 million pounds of nickel and will alleviate to a great extent the problems of our industries which have been hurt by the nickel shortage.

I certainly support the necessity of stockpiling strategic metals and other commodities for use in case of emergency.

However, on this particular bill, the issue is one that is easily solved.

If we do not need the nickel for emergency use then it should be given to industry which does need it.

A majority of the Armed Services Committee say that the 60 million pounds is not needed by the Government.

Industrial leaders say that the 60 million pounds is needed for industry.

Therefore, the obvious conclusion is that the nickel should be released from the stockpiles.

Unless the pounds of nickel are released industrialists will continue to pay exorbitant prices for the metal if they can afford to operate at all, and if they do, these high nickel prices will boost the cost of essential products to other segments of the economy.

This will then contribute in a great degree to inflationary problems we now have, and drive the cost of living to even higher scales, to say nothing of the detrimental effect of unemployment caused by layoffs and shutdowns.

This is important legislation, needed legislation and legislation which will indeed help our country.

I strongly urge that this measure, H.R. 5786, be passed by this body and sent to the Senate.

## Antipollution Standards for Detergents

EXTENSION OF REMARKS
OF
**HON. RICHARD D. McCARTHY**
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
*Wednesday, April 19, 1967*

Mr. McCARTHY. Mr. Speaker, water pollution caused by detergents has long been a serious problem. Progress has been made in lessening this threat to our waters, but, it is still a major problem.

I have today introduced a bill calling for the restraint of water pollution caused by the various ingredients in detergents.

Synthetic detergents impair sewage processes, encourage the undesirable growth of algae and hinder fish and plant life. Under the bill I have introduced today, first sponsored by Senator NELSON, of Wisconsin, a committee of experts would be established to draft antipollution standards that detergents would have to meet. Research moneys would be provided for the development of detergents that would disintegrate rapidly, not harming sewage processes, fish or plant life or stimulating growth of algae.

The bill, also called the "Detergent Pollution Control Act of 1967," would further foster research into the improvement of sewage treatment and the development of new sewage processes.

Much progress has been made already in reducing detergent pollution but it is still a major problem. Synthetic detergents involved include such common items as water softeners, brighteners, dyes and perfumes which come in liquid, bar, spray, flake, or powder form.

Both public and private agencies and organizations would be funded under the provisions of this bill in a comprehensive effort to continue the campaign to effect improved detergents and combat detergent pollution.

Not enough is known yet about the latest detergents beyond the fact that they are an improvement over the earliest ones. If the 90th Congress sees