

HOUSE OF REPRESENTATIVES—Tuesday, January 30, 1968

The House met at 12 o'clock noon. The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Now the God of peace be with you all.—Romans 15: 33.

Most merciful and gracious God, beyond whose love and care we cannot drift, in the glory of a new day we come lifting our hearts to Thee as we prepare ourselves for the tasks before us. We would be still in Thy presence and receive from Thy hand strength for the day, wisdom for these hours, and faith for every moment to carry us through with high honor and creative courage.

Amid the crises of these days may we hear Thy voice calling us to be faithful and true, strong and steady and hearing may we respond with all our hearts.

We pray for our divided world going separate ways to different ends. May we not increase division by our dissension but may we seek to enlarge the circle of intelligent good will whereby the people of our land and the nations of the world can learn the fine art of living together in peace.

Give to us peace in our time, O Lord. Amen.

THE JOURNAL

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

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1788) entitled "An act to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments."

The message also announced that the Presiding Officer of the Senate, pursuant to Public Law 115, 78th Congress, entitled "An act to provide for the disposal of certain records of the U.S. Government," appointed Mr. MONRONEY and Mr. CARLSON members of the Joint Select Committee on the part of the Senate for the Disposition of Executive Papers referred to in the report of the Archivist of the United States numbered 68-8.

THE LATE HONORABLE GEORGE A. DONDERO

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

The SPEAKER. Is there objection to

the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, I rise with a heavy burden of personal grief to announce to the Members of the House the death of one of its former distinguished Members and my dear friend, George A. Dondero.

Mr. Dondero passed away last night at his home in Royal Oak, Mich. He was 84 years old.

A distinguished American, an able and fearless legislator, and a great friend, Mr. Dondero was my predecessor in the House. He left giant-sized footsteps in which to follow.

Mr. Dondero was elected Representative of the 18th District of Michigan in 1932 and served with distinction in the House for the next 24 years.

It is no accident that one of the great channels on the St. Lawrence Seaway, the Wiley-Dondero ship channel, was named in his honor. Because Mr. Dondero was often called "Mr. Seaway" for his persistent and successful effort to win approval for the St. Lawrence Seaway, making our Great Lakes America's seventh sea.

Those of us in Oakland County, Mich., remember him for other things as well.

Born on December 16, 1883, in Greenfield Township in Wayne County, Mich., Mr. Dondero attended Royal Oak schools and graduated from Royal Oak High School in 1903. Many years later that same high school renamed in honor of Mr. Dondero's outstanding contributions to the community.

He graduated from the Detroit College of Law in 1910 and was admitted to the bar the same year.

In the next few years, he served as Royal Oak Village clerk, village assessor, village attorney, township treasurer, assistant county prosecutor, and finally in 1921 was elected the first mayor of the new city of Royal Oak.

He served as a member of the Royal Oak Board of Education for 18 years.

In many ways, George Dondero was Royal Oak. He had many of the qualities of the tree from which the city took its name.

He exhibited the same strength, the same ability to weather the storms of life, the same strong heart and flawless character which has made this tree the symbol of integrity and principle.

Those same outstanding traits of character were shown in his interest and dedication to the life of another great American statesman, Abraham Lincoln. Mr. Dondero was a nationally recognized authority on President Lincoln and served on several historical commissions.

Mr. Dondero is survived by a son, Robert Lincoln Dondero, of Royal Oak, and a daughter, Mrs. Marion Wilson, of Grand Blanc, Mich.; nine grandchildren; three great-grandchildren. His wife, Adele, died on August 23, 1966. Another son, Stanton G. Dondero, a former Oakland County circuit judge, passed away 2½ years ago.

I know I speak for the entire House in

extending deepest sympathy in their time of bereavement to his family. My wife joins me in expressing our personal sense of loss at the passing of this fine American.

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

Mr. BROOMFIELD. I am pleased to yield to our distinguished minority leader.

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GERALD R. FORD. A little over 19 years ago, when I first came to this great body, George Dondero was a distinguished veteran legislator. He had already served a number of years as a member of the Committee on Public Works and just previously served as the chairman of the Committee on Public Works. It was my good fortune to be assigned in my first term to the Committee on Public Works, and I learned greatly from following, as best I could, the examples set by him. George Dondero was a great teacher.

George Dondero epitomized dignity, fairness, and character. As the gentleman from Michigan has said, he was a great Lincoln scholar. It was always interesting to sit and chat with George Dondero because he could tell a most interesting story about the people and places involved in the conflict between the States.

It was a tradition during George Dondero's service as a Member for him to take the time early in each Congress to give his advice and counsel to the newer Members on the protocol of the House and its traditions. All Members who either listened to George Dondero's counsel or read his remarks were the beneficiaries.

I join the gentleman from Michigan in extending to the family of George Dondero our deepest condolence in this time of sorrow. We are all saddened by his passing. America has lost a great citizen.

Mr. Speaker, I would like to include in the RECORD at this point the address on decorum made by our late colleague, Representative Dondero, to this House of Representatives on January 24, 1955.

I do this as a tribute to a man who not only knew, and understood, and advocated the rules of this House, but who was in his own conduct, an outstanding example of the proper legislator.

But he was not a presumptuous man, and we were given to understand that he offered his kindly counsel to the House only because of the urging of certain Members of the leadership.

Certainly he was shown a most unusual deference when then Speaker Sam Rayburn commended to the attention of the House the remarks Mr. Dondero was about to make.

We may all profit from reading again these excellent observations of the late George Dondero.

The speech is as follows:

ORDER IS HEAVEN'S FIRST LAW

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 20 minutes.

May the Chair say that the gentleman from Michigan has upon occasion made reference to the rules of the House and their application and the Chair thinks he intends to do that again now. The Chair thinks his statement will be interesting and very helpful to the Members if they will heed it.

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

Mr. DONDERO. I yield to the gentleman from Illinois.

Mr. MASON. The gentleman from Michigan has in times past called the attention of the Members of the House to the decorum and the comity that should exist between the Members of this House when on the floor and he has done it in a very effective and delightful way. I do feel that perhaps the Members present would like to listen to what the gentleman from Michigan says. Because of that I ask that particular attention be given to the gentleman from Michigan at the present time.

Mr. DONDERO. I thank the gentleman very much.

Mr. Speaker, nearly two centuries ago a noted author declared that order is heaven's first law. The truth of that statement applies to our own day and generation with ever-increasing force and validity.

When your constituents and mine come to Washington, it is almost certain that they will visit this Capitol Building. Their presence may be observed daily when they occupy the galleries of the House and especially when Congress is in session.

Members who have served here any length of time have heard with chagrin and embarrassment the harsh criticism from the visitors directed at, what appears to them, a lack of reverence, dignity, and respect for this historic Chamber.

Information from officials of the House indicates that hardly a week passes without complaints regarding our habits and our conduct on the floor.

Here in the House of Representatives the people speak and here their voice is heard. This is their forum, established by our forefathers. From them come the noble and distinct character of American institutions.

The very walls of this Chamber echo with the voices of our great and our past. It is rich in the traditions of our Nation. Many whose names adorn the pages of history labored in this room to serve the cause of freedom and self-government. They were the torchbearers of humanity's forward march.

May God help us to preserve their influence and labors by reverence for this notable place and forbid that we should ever be irreverent toward it and the memory of those who made our day possible.

Our position as Members of Congress is one of great responsibility. If a proper attitude and proper conduct toward the position to which we have been elevated is wanting, we deface and impoverish our position in the eyes of those who pass this way.

Infraction of the rules in the game of life brings punishment and penalty. The penalty we pay individually and collectively is the loss of respect, the loss of prestige, the loss of faith and confidence, and a gradual breaking down of self-government by a free people.

This House of Representatives is governed by rules, some as old as the Government itself. They were designed to govern the conduct of Members on this floor and the orderly procedure of our legislative work.

Not one of us here is entirely blameless for breaking the rules of the House. In a thoughtless moment, and unconsciously, many of us have broken the written and long-established code of conduct for this floor. Many of the older Members, knowingly, and many of the

newer Members, unknowingly, because of unfamiliarity with the rules, have allowed certain habits to violate the proprieties of this body.

For the benefit of new Members and to remind many of the older Members, including myself, the observations I am about to make are confined solely to the rules governing our conduct on this floor. My remarks are not intended as a scolding of any Member individually or of the House collectively.

I now come to the rules violated daily in this forum. How should a Member address our Presiding Officer? At public gatherings throughout the country it is customary and in good taste to say, "Mr. Chairman, distinguished guests, ladies and gentlemen," and so forth. In this Hall such a salutation is improper and a distinct breach of the rule.

In recent years, almost daily, Members, both old and new, have taken their place here in the well of the House and commenced their remarks with "Mr. Speaker, ladies and gentlemen." The rule requires a Member to address himself to "Mr. Speaker" or, if the House is in the Committee of the Whole House on the State of the Union, to "Mr. Chairman." To add more is a slight upon the Speaker, who represents the House in its organization. When we address the Chair, we address the entire membership of the House.

It is a violation of precedent, and bad form, to conclude an address by adding the words, "I thank you." There is no necessity for any Member to thank anyone. We speak as a matter of right.

Express provision is made for the manner in which a Member may address the House. Rule XIV, clause 1, reads:

"When any Member desires to speak or deliver any matter to the House, he shall rise and respectfully address himself to 'Mr. Speaker,' and, on being recognized, may address the House from any place on the floor, or from the Clerk's desk."

Committees of the House should not be designated as "The Rules Committee," "the Appropriations Committee," and so forth. The proper way to designate any committee of the House is to say, "The Committee on Rules," "the Committee on Appropriations," "the Committee on Un-American Activities," and so forth.

Another rule violated daily is rule XIV, clause 7, which provides:

"While the Speaker is putting a question or addressing the House no Member shall walk out of or across the hall, nor, when a Member is speaking, pass between him and the Chair."

It has become a custom for Members to walk in front of a Member while he is addressing the House from the lecterns here in the well of the House. Such practices are a violation of a long-established rule of this body and are a contributing cause to the confusion and distraction evidenced on this floor from day to day. To walk in front of a Member who is speaking is objectionable and discourteous.

Another part of clause 7, rule XIV, grossly violated by many Members, reads as follows:

"During the session of the House no Member *** shall smoke upon the floor of the House; and the Sergeant at Arms and Door-keeper are charged with the strict enforcement of this clause. Neither shall any person be allowed to smoke upon the floor of the House at any time."

What constitutes the floor of the House? The space behind the rail is the floor of the House as much as the space in front of the Speaker's rostrum. Smoking behind the rail is smoking on the floor of the House and equally an infraction of the rule; it is most obnoxious to our visitors in the galleries. Walking into the Chamber with a cigar or pipe held in the mouth, whether lighted or not, is an invitation for caustic criticism and disparaging remarks on the part of the public who come to visit our sessions.

A practice as defenseless as it is objectionable is the habit of placing one's feet against or on top of the seat in front of one. This habit, a clear and distinct breach of the rules of decorum of this House, is most noticeable from the galleries and draws the sharpest criticism and adverse comment from those who come to visit this legislative body in action.

Reading newspapers on this floor when the House is in session may not fall within the text of any definite rule, but such a habit conveys to the public, and to the Members of the House, an impression of the want of interest, indifference to legislative duty, and failure of attention to the matter under discussion on the floor.

A practice that has grown to be a habit is that of referring to a Member in the second person as "you" or "your." Some distinguished Members, with long service here, have designated their colleagues by their given names, such as "John" and "Jim." We all know better. These are plain violations of ordinary parliamentary procedure. Each of us can make his contribution in preserving dignity and orderly conduct during our sessions by observing and obeying the rules of the House. The proper way to address a colleague is "the gentleman or gentlewoman from Maine," or whichever State the Member represents.

Dignity and decorum commensurate with the greatness of this body, and the power we possess, should prevail at all times in the discharge of our duty to the Nation. These matters may seem small, unimportant, and of no serious consequence in themselves, but upon the whole they are destructive of the respect and confidence of the people.

The rules of the House provide that the Speaker "shall preserve order and decorum"—rule I, clause 2. Let every Member constitute himself a committee of one to assist the Speaker in the discharge of his duty by seeing to it that the rules are respected and obeyed.

By reason of our membership here, each Member is clothed with tremendous power over the lives and destiny of a mighty people. With that power goes a corresponding responsibility to discharge the trust reposed in us by the people. Every word we speak, every decision we render, is weighted with the position we hold. The confidence and faith of the people in the legislative branch of their Government must be preserved if the Republic of the United States is to survive.

The lamps of freedom have been going out all over this world. Representative government has been and is under attack by a totalitarian philosophy of government. May we be worthy of the high honor conferred upon us as Members of Congress by discharging our responsibility to the Nation with that dignity and decorum which the people have a right to expect from us.

May the visitor to these galleries observe in us a genuine respect for this House of Representatives of the American people, and leave with greater love for our Republic and greater pride in American citizenship.

Let us all remember that "Order is heaven's first law."

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

Mr. BROOMFIELD. I am delighted to yield to our distinguished Speaker.

Mr. MCCORMACK. I am very sorry to learn of the death of my dear friend George Dondero. He was one of the kindest gentlemen that I have ever met. He was a dedicated legislator. I can see him now with that fine, sweet personality of his. As we would meet him in the Chamber or in the corridors we would always have a pleasant chat with him. At all times he was a gentleman.

His intense love of our country was evidenced on many occasions during his years of dedicated service in this body. The lives of all of us who had the honor and pleasure of meeting and knowing George Dondero have been greatly enriched.

I extend to his loved ones my deep sympathy in their great loss and sorrow.

Mr. BROOMFIELD. I thank the Speaker.

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

Mr. BROOMFIELD. I yield to the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, I was saddened when I learned just a few minutes ago that George Dondero had passed away last night.

If ever a gentleman served in this House it was George Dondero. When Members spoke of "the gentleman from Michigan, Mr. Dondero," they not only spoke in accordance with the practices of the House; they spoke with accurate description of a man who was every inch a gentleman.

I can see him now, always meticulously dressed, always smiling, always courteous, always willing to lend a helping hand and to give the others the benefit of his advice and counsel.

When I first came to the Congress, Mr. Dondero was chairman of the Committee on Public Works. I remember his coming to me after an executive session of his committee and saying, "We have reported a little project in your district. We thought you ought to know about it." That was the kind of person he was. He was considerate and kind. He was a man of firm convictions, but he was never disagreeable with those with whom he disagreed on legislative matters or on political principles.

I am glad the gentleman has referred to Mr. Dondero's interest in Abraham Lincoln. Congressman Dondero enjoyed talking about Abraham Lincoln. I had the pleasure of once being with him as he delighted in showing me some of his library on the life and character of Abraham Lincoln. He put enthusiasm into his subject which showed that this was almost a vocation as well as an avocation in his life.

He was a great man who lived a long and useful life. I extend to all his loved ones my deepest personal sympathy.

Mr. BROOMFIELD. I thank the distinguished majority leader.

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the distinguished gentlewoman from Ohio.

Mrs. BOLTON. Mr. Speaker, I was privileged to find Mr. Dondero here when I came to the Congress. He was so fair in his judgments. If I had a question to ask about a bill or an area, I would go to George and he would tell me honestly and not try to influence me one way or another—but he was always gentle and always fair.

I associate myself with what the gentleman from Michigan has said about him, and with others who have spoken. I knew Mr. Dondero as a younger Member of Congress, and I deeply appreciate his full life here and at home.

I do send my sympathy to his loved ones. Yet, I know that they must rejoice that they, too, have been associated with a man of such vision and such height and such breadth and such depth, that they can hardly mourn his going.

Mr. BROOMFIELD. Mr. Speaker, I thank the gentlewoman from Ohio.

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

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

Mr. FLYNT. Mr. Speaker, I thank the gentleman for yielding.

I join the gentleman from Michigan and others who have spoken of the great service and the fine life of our late departed former colleague, the Honorable George A. Dondero of the State of Michigan. When I first came to the Congress, George Dondero was chairman of the great Committee on Public Works. In serving in that capacity and in fact throughout his congressional service, George Dondero seemed to follow the admonition of Daniel Webster which is engraved into the wall near the ceiling of this Chamber, which says:

Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered.

Congressman Dondero did just exactly that. One of the monuments as well as tributes to his great service to this Nation was the authorization of construction and the placing into operation of the St. Lawrence Seaway.

It is indeed appropriate that one of the ship channels on that seaway bears his name, along with that of the late Senator Wiley, of Wisconsin.

One of the things I remember most pleasantly about Congressman Dondero during my service with him was that every year, or certainly at the beginning of every session, he would take the time to talk with the new Members of this body, to tell them something of the history of the House of Representatives which they might not otherwise have learned, to impress upon them the customs and the protocol of this body and our relationships and associations with one another.

The House of Representatives lost something very fine when it lost the services of George Dondero by his voluntary retirement.

I should like to express the hope that once again someone will take up this practice which was discontinued when he voluntarily left the House of Representatives.

Congressman Dondero was certainly a great scholar. He was a highly motivated and dedicated legislator. He was certainly one of the finest gentlemen with whom I have ever had the privilege of serving anywhere at any time.

Mrs. Flynt joins me in extending to his family our heartfelt sympathy and condolences.

Mr. BROOMFIELD. I thank the gentleman very much.

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

Mr. BROOMFIELD. I yield to the gentleman from Illinois.

Mr. ARENDS. Mr. Speaker, I join with others in expressing deep sorrow and regret at the passing of former Congressman George Dondero.

As I have said many times before, one of the privileges and pleasures that comes to an individual serving in this body is the opportunity to meet with, to become acquainted with, and associate with some of the finest people who are privileged to serve in the House of Representatives.

As I think back over the life of George Dondero, whom I was privileged to serve with so many years, I would refer to him as a gentlemen's gentleman.

Often it was a pleasure of mine to sit down with Congressman Dondero and to objectively talk about our service in this body, what we might do to make it a better service, what we might better do for our country and for mankind. He always had suggestions, wholly unselfish but with purpose.

George Dondero, I recall so vividly, almost every year made it his business to speak in the well of this House, to discuss decorum, and practices of the various Members, as to our behavior while on the House floor. He was always so concerned because of what might be the reaction of the people in the galleries, who might not think we were too studious or intent in our listening to what was going on. He always wanted us to conduct ourselves on the floor of the House in certain ways, not only as to mannerisms but also as to how we dressed and how careful we were about the little niceties that could take place on the House floor, in order to at all times be dignified and respectful to one another.

I always admired him for that.

At this time it seems to me it might be well for us to go back and read some of these remarks of George Dondero and to refresh ourselves to the point that we emulate in some way these suggestions he did make time after time.

George Dondero, I repeat, was one of the finest gentlemen I ever knew. He served his district and his country well. I was privileged to serve with him.

This is a better House because of the service here of individuals like George Dondero.

I extend to his loved ones my deepest sympathy.

Mr. BROOMFIELD. I thank the gentleman.

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

Mr. BROOMFIELD. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding.

Mr. Speaker, I should like to have the privilege of joining with the gentlemen at this time in paying our tribute to the memory and the legacy of George Dondero. As one who served with him on the House Committee on Public Works, I received inspiration from George Dondero quite early in my service here.

He was gentle, he was gracious, he was generous, he was kind, and in every sense of the word he was an inspiration to the younger Members.

From George Dondero and from

others, but to a great extent from him, I came to see that regardless of such petty and divisive things as party affiliations the great tradition of this Chamber is that we as Members may respect one another professionally and like one another personally.

George Dondero was, in the truest sense, that much overworked term, "a gentleman and a scholar." Surely it ought to behoove each of us who served here after him to aspire to the legacy of George Dondero; that is, to be a ruler of nothing but self and indeed the servant of our native land and to hope that when our strength is bent and our youth is spent we, like him, may pass among those whom we have represented and have them whisper in voices audible only to themselves, "Well done, thou good and faithful servant."

So I join the gentleman from Michigan [Mr. BROOMFIELD] in expressing to his loved ones our great admiration and our heartfelt regrets.

Mr. BROOMFIELD. I thank the gentleman very much for those kind comments.

Now, Mr. Speaker, I yield to the gentleman from Iowa [Mr. SCHWENGEL].

Mr. SCHWENGEL. Mr. Speaker, I thank the gentleman from Michigan, who is a very worthy successor of George Dondero, for yielding to me.

I want to say that I too am greatly saddened to hear of his passing, his going on. It is fitting and proper to join all of his many friends in this House and everywhere in paying tribute to him, to show respect for what he stood for. I think in a finer and in a larger sense he was as much a gentleman as any man I ever knew. He was generous beyond a fault, courteous and gentlemanly in all his conduct and dealings with his fellow man. He was fair and he set a wonderful example often in this House. He was helpful. I know this to be a fact, because I was a freshman Congressman under him. I benefitted from his generous helpfulness. I had a very special opportunity to observe him because I served with him on the great Committee on Public Works. There is where I realized that this man was a devoted man; he was a man dedicated to the American ideals and he understood them and spoke of them and lived them as his mentor did—and most of you know that I am now speaking of Abraham Lincoln—of whom George Dondero was extremely fond.

If this has not been mentioned, it should be, that he was a great friend of Lincoln's son, Robert Lincoln. He often talked of his conversation with Robert Lincoln and spoke eloquently of him and of how his characteristics fit so well both his mother and his father and because that Robert Lincoln could make the contribution that he could and did make to the economy and character of this Nation.

Mr. Speaker, George Dondero will live in our memories long because he was a great builder. I need mention only two great projects that he was very influential in passing in order to convince everyone of this. The St. Lawrence Seaway and the Interstate Highway System. The St. Lawrence Seaway is pretty largely

built today because of George Dondero's dedicated and determined leadership throughout the period that he served in the Congress. The Interstate Highway System, which will prove to be the greatest public works project ever achieved by any nation in the world, is the second. These fine public works projects came about largely as a result of George Dondero's leadership and influence.

George Dondero was a conservationist and most interested in the preservation of the American ideal. This impelled him to speak so often of the importance of Congress and of our conduct and our influence here good and bad. He called on us and challenged us to have that influence be a good one.

Mr. Speaker, I can think of no better words which are more fitting at this time than those that were written by Edwin Markham when he spoke of Lincoln so eloquently upon one occasion when he said, in part, in the poem "Lincoln, the Man":

Here was a man to hold against the world, a man to match the mountains and the sea.

My heart and sympathy are felt and extended to all his family and close friends.

Mr. BROOMFIELD. I thank the distinguished gentleman from Iowa.

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

Mr. BROOMFIELD. I yield to the distinguished majority whip.

Mr. BOOGS. Mr. Speaker, I would like to take this one moment to pay tribute to George Dondero. I was particularly interested in the great contributions which he made to the public works of this country. It is my opinion that no man did more in his time to build America and to solve the problems of transportation, both on the land, in the air, on the sea and on the rivers of this great Nation than did George Dondero.

Mr. Speaker, the late and distinguished George Dondero came to my hometown many times to look at the projects on the Mississippi River—the great flood system and the great inland waterway system—and he was always sympathetic, helpful, and constructive. I am glad that he lived a long and fruitful life and that he enjoyed a fine retirement.

Mr. Speaker, I thank the distinguished gentleman from Michigan [Mr. BROOMFIELD] for yielding to me at this time.

Mr. BROOMFIELD. Mr. Speaker, I thank the gentleman from Louisiana for his remarks.

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

Mr. BROOMFIELD. I yield to the distinguished gentleman from Texas.

Mr. FISHER. Mr. Speaker, I share the sentiments that have been expressed here concerning the late and lamented George Dondero.

When I came to the Congress 25 years ago, I was assigned to a committee of which the late George Dondero was the ranking member. On that committee I had the privilege of knowing him well. Through the years that I have served here I can think of no Member who was so beloved by so many of his fellow colleagues. I cannot think of a single person

who was more universally admired, who was more dedicated, who was more scholarly, and who left a more lasting imprint not only on the legislative history of this body in that period of time but who likewise will remain long in the memory of those who had the privilege of knowing him.

Mr. Speaker, I regarded George Dondero as a personal friend. I think that can be said on behalf of every other Member of this body who knew him.

Mr. Speaker, I extend to the family and the survivors of George Dondero my deepest sympathy in their bereavement.

Mr. BROOMFIELD. Mr. Speaker, I thank the gentleman from Texas for his remarks.

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

Mr. BROOMFIELD. I am glad to yield to the distinguished chairman of the Committee on Armed Services.

Mr. RIVERS. Mr. Speaker, I should like to associate myself with the remarks that have been made about the late George Dondero.

If ever a true gentleman served in this body, it was George Dondero. I knew him very well. Each morning we had breakfast together.

He was one of the great authorities on the history of the War Between the States. And, Mr. Speaker, what made me love him so much was the fact that he believed in the side which lost—he believed in the side which lost. He knew every character in the War Between the States. He was one of the great historians of his time. Few people knew this.

His annual lecture to the membership of the House on good manners was something to behold. It was kind, it was fatherly, it was wise, and it was good for the House of Representatives.

Mr. Speaker, his death is not only a loss to the great State of Michigan; it is a loss to all of America and to the world.

Mr. FALLON. Mr. Speaker, I was saddened, indeed, to hear this morning of the death last night in Royal Oak, Mich., of my old friend and colleague, the former distinguished Member from Michigan, George A. Dondero. George Dondero served with distinction as a Member of the U.S. Congress from March 4, 1933, until he retired on January 3, 1957. From my first days in Congress I knew George Dondero and indeed could look upon him as a real friend and associate. Our friendship deepened during our joint service on the House Committee on Public Works, and I know of the outstanding service he performed on that committee for the benefit of his district, his State, and his country.

George Dondero served with distinction as a Member of the House, as a member of the Committee on Public Works, and as its very able chairman in the 83d Congress. On behalf of all the members of the committee with which Mr. Dondero was so long associated, on behalf of Mrs. Fallon and myself, I extend the deepest sympathy to the family of Mr. Dondero on his passing and salute him as a worthy and distinguished member whose presence in this body added honor to it.

Mr. ADAIR. Mr. Speaker, I share the deep sense of loss which has been so eloquently expressed here today by those who have previously spoken of the Honorable George A. Dondero. He was indeed a true gentleman in every sense of the word. His knowledge of history and particularly of the history of Abraham Lincoln and his times was outstanding. Many students of the life of Abraham Lincoln have told me that George Dondero was truly one of the authorities in this field.

Both by word and example, Mr. Speaker, did he contribute to the stature of this great body. Many now here owe him debts of gratitude for the kindnesses and courtesies he has shown them.

Mrs. Adair joins me in mourning the passing of this great American.

Mr. KLU CZYNSKI. Mr. Speaker, from long experience and conversations with my colleagues in the House, I am amply aware that none of us with normal sensibilities have not had periods of soul searching and self-evaluation of what he did, or can accomplish in the public service of our districts, State, and our country.

I know that our late colleague, George A. Dondero, a veteran member of the House Public Works Committee and its chairman, before he retired in 1956, experienced these periods of wonder about how much he could accomplish. I know this because he was a good guide and a wise counselor to me as a member of the same committee.

George Dondero's career can be an inspiration to all of us in our times of doubt and wonder how we can become more effective in our appraisals and approvals of legislation. No Member of the Congress, in its old and splendid history, is a better example of what one man, leading others of like mind, vision, and enterprise, can do to benefit the Nation itself, in battling for benefits for his own district and a region of the country.

His battle to make the St. Lawrence International Seaway a reality began the day he came to this House in 1932. His efforts never faltered despite formidable opposition and never flagged despite monumental efforts to show that he was wrong.

He had the vision to see that completion of the St. Lawrence would open half of the continent to Atlantic outlets and enhance the American economy and stimulate our industry and agriculture for the benefit of millions. Coupled with a vaulting vision was a serene temperament and a judicial reasoning and above all an engaging sense of humor that lightened our many days with him here.

The George A. Dondero Locks are named for him out of a spirit of appreciation and as a memorial to him, but I do not hesitate to say that the St. Lawrence Seaway itself is George Dondero's most enduring monument and will remain so for centuries.

All of us who knew George A. Dondero cherish the man and his admirable qualities and all of us know a loss with his passing. We extend our deep sympathies to his family and hope that their grief will be tempered by the knowledge

that he was truly a great and good man, whose efforts made America greater than it was before he came here to this House.

Mr. ROONEY of New York. Mr. Speaker, I was saddened to learn of the passing of our former colleague, the Honorable George A. Dondero of the State of Michigan. He was a dedicated and outstanding legislator who served in this House with distinction and honor for 24 years.

George was a good friend and I shall always remember his quick smile, his friendliness, and his gentle and personable manner. To his son, Robert Lincoln Dondero, and his daughter, Mrs. Marion Wilson, I extend my deepest sympathy in their bereavement.

GENERAL LEAVE TO EXTEND

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and service of our late and distinguished colleague, George Dondero.

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

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO HAVE UNTIL MIDNIGHT TONIGHT TO FILE CERTAIN PRIVILEGED REPORTS

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

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

There was no objection.

AUTHORIZING FEASIBILITY INVESTIGATIONS OF CERTAIN WATER RESOURCE DEVELOPMENTS—CONFERENCE REPORT

Mr. ASPINALL (on behalf of Mr. JOHNSON of California) filed a conference report and statement on the bill (S. 1778) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments.

PERMISSION FOR SUBCOMMITTEE ON IRRIGATION AND RECLAMATION TO SIT DURING GENERAL DEBATE TODAY

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation may have permission to sit during general debate this afternoon.

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

There was no objection.

POSTPONEMENT OF ADDRESS BY AMBASSADOR GOLDBERG

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

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

There was no objection.

Mr. FASCELL. Mr. Speaker, the Subcommittee on International Organizations and Movements of the Committee on Foreign Affairs had scheduled Ambassador Goldberg to come down and address the executive session of that subcommittee tomorrow, to which all Members had been invited. I have just been advised by Ambassador Goldberg's office that, due to the press of business, he will be unable to attend the meeting tomorrow. We therefore have canceled the meeting, and have asked that he be rescheduled as promptly as his duties in the United Nations will permit.

SPECIAL TREAT IN HOUSE RESTAURANT TOMORROW

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

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

There was no objection.

Mr. GIBBONS. Mr. Speaker, I take this time to call to the attention of all Members, particularly those who will be eating in the House Restaurant tomorrow, that through the courtesy of the Florida Fishermen's Association we will have about 800 pounds of fresh pompano.

So if the fishing was good in Florida last week—and I believe it was—the fish will be flown here by National Airlines and served to us through the courtesy of Super Giant and the Florida Fishermen's Association.

This is a program that has been carried out under the war on poverty, involving rural communities in my area, and those who fish in the Gulf of Mexico and who want to move above the poverty line.

This will be a tasty treat, and it is indeed a treat to eat fresh pompano, but in addition to that it will be a treat to these people who are beginning to become self-sufficient, proud and productive Americans.

TO DETER ILLEGAL SEIZURES OF AMERICAN FISHING BOATS

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

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

There was no objection.

Mr. PELLY. Mr. Speaker, Members of the House will recall that last December the House passed an extension of the Vessel Exchange Act which authorized the loan of various U.S. naval vessels to certain nations in Latin America and elsewhere. This legislation contained a Senate amendment which provided that if any of the nations to whom these vessels were on loan seized any U.S. fishing vessels on account of its fishing activities in international waters,

the President should terminate the loan to such nation of our naval vessels.

However, Mr. Speaker, the United States has loaned vessels to other nations not covered by that legislation. Therefore, today I am introducing a bill which provides that in any case where a foreign country illegally seizes a U.S. fishing boat in international waters and imposes a fine on that vessel and then fails to reimburse the United States for the amount of the fine, the President shall immediately terminate the loan of any U.S. vessel on loan to any seizing nation.

Mr. Speaker, my bill does not specify any particular nation, but let me cite examples of the use of American vessels by Ecuador, which is a nation not covered by present law, but would be under my bill.

January 7, 1967, the B.A.E. *Cayambe*, a U.S. tug on loan to Ecuador, was used in the seizure of three U.S. fishing boats between 35 and 51 miles offshore. Also, using the B.A.E. *Esmeraldes*, formerly the U.S.S. *Enice*, Ecuador seized one American boat July 4, 1967, 24 miles offshore, and on August 3, 1967, the same American patrol boat was used by Ecuador to seize two U.S. fishing boats.

Mr. Speaker, these are absolute facts which cannot be ignored. American citizens deserve no less than their full guarantee of free passage on the high seas. Since the North Korean seizure of the U.S.S. *Pueblo*, all Americans are highly concerned about the protection of their rights to safe and free passage in international waters. My bill would give that protection to our fishermen, or the offending nation would find itself without the use of American vessels to seize American fishing boats which are manned by American fishermen.

USING YOUR MONEY TO BUY TICKETS TO BROADWAY SHOWS

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

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

There was no objection.

Mr. KUYKENDALL. Mr. Speaker, it is no wonder the administration has the American people confused. Yesterday the President submitted what he said was an austere budget with all nonessential spending cut out, but a news report on the same day indicates the same credibility gap here as in most administration statements.

An Associated Press dispatch yesterday reported that \$200,000 in Federal funds have been contributed for the purchase of theater tickets to support Broadway shows.

I am sure the people of the Ninth District of Tennessee, as well as those throughout the Nation who are struggling to feed, clothe, house, and provide the necessities for their families, are not going to appreciate paying higher taxes to help pay for tickets to Broadway shows.

Let us get down to cases and cut out

all this foolish spending. It is apparent the administration cannot, so Congress must.

The AP article follows:

GRANT TO AID FALTERING NEW YORK SHOWS

NEW YORK, January 28.—A nonprofit organization, the Theater Development Fund, said today it has received a \$200,000 Federal grant for its program to help sagging Broadway shows which it feels would succeed if kept open long enough.

Officers of the funds said one method of aid being considered was the purchase by the group of large blocks of tickets, at box-office prices, for shows it considers worthwhile, but in need of time to find an audience.

The tickets then would be resold—some as low as \$2—to selected groups, such as students, teachers and professional groups. The fund would buy tickets for up to five weeks.

The \$200,000 grant for the first year of a three-year experimental program comes from the National Endowment for the Arts, a Federal agency.

THE LATE PAULA BEN-GURION

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

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

There was no objection.

Mr. REID of New York. Mr. Speaker, I am sure that all Members are saddened by the news of the death of Paula Ben-Gurion, the wife of the former Prime Minister of Israel, David Ben-Gurion.

Mr. Speaker, Israel will not be the same without Paula. She will be missed throughout Israel. Her unique personality, directness, absence of pretense, and strong love of B-G and her devoted family was memorable to all who knew her.

She was born as Paula Monbaz in Russia and went from Minsk when she was 13 years old to Brooklyn. She subsequently trained as a nurse at Beth Israel Hospital in Newark.

She met Prime Minister Ben-Gurion in New York, and that is where their historic and wonderful life together started.

She often spoke lovingly of the United States and closely followed everything that happened in this country. She was known for her very keen sense of humor and stories of Paula are legend in Israel, such as the story of when she asked Dag Hammarskjold, "Why isn't a nice young man like you married?" When she first met Nelson Rockefeller, she asked him, "Have you ever been to Israel?" When he said, "No," she replied, "Here is a dime; I hope you can make the trip."

But above all, Mr. Speaker, Paula cared for B-G in all things. She said, "A Prime Minister's wife, that is nothing. Being Ben-Gurion's wife, that is important."

She helped every day of their lives in all manner of ways. She was up a half hour in the morning before Ben-Gurion to cook his breakfast. She stood by him through difficulty, through danger, and through every kind of vicissitude.

Ben-Gurion's family life was always very close, and every Erev Shabat, every Friday evening, all the members of the family in Israel gathered together.

Paula was proudest of her children and her grandchildren.

I would merely add that much of what Prime Minister Ben-Gurion accomplished was due to the support, the affection, and the love of Paula Ben-Gurion. I would only say that I am sure all Members of this House extend very deep sympathy to David Ben-Gurion, to their children, Renana, Geulah, and Amos, and to their grandchildren. In recognition of a wonderful lady who was raised and learned much of what she was able to contribute in the United States, I personally, and on behalf of Mrs. Reid and our family, extend the deepest sympathy of ourselves and all Members to all Israelis.

AMERICA'S SERVICEMEN AND VETERANS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 245)

The SPEAKER laid before the House the following Message from the President of the United States, which was read:

To the Congress of the United States:

TO CARE FOR HIM

Looking beyond the tragedy of war, Abraham Lincoln saw a nation's obligation "to care for him who shall have borne the battle and for his widow and his orphan."

His words are enshrined in the spirit of this country's concern for its veterans and servicemen.

America holds some of its greatest honors for the men who have stood in its defense, and kept alive its freedoms.

It shows its gratitude not only in memorials which grace city parks and courthouse squares across the land—but more meaningfully in the programs which "care for him and for his widow and his orphan."

OUR ACCOMPLISHMENTS SO FAR

As the result of legislation over the past several years, today's veteran can continue his education through a new GI Bill of Rights, which right now is helping 400,000 men and women.

He can buy a home with a Veterans Administration-insured mortgage. Over 200,000 veterans have purchased houses because of this provision.

If he receives a pension, his increased payments now can afford him a better standard of living.

If he is disabled, or needs special medical care, he is eligible for the same benefits his fellow men of earlier conflicts received.

FISCAL YEAR 1969 VETERANS BUDGET

In the Fiscal 1969 Budget, we will have budget outlays of \$7.3 billion to provide services for America's 26 million veterans and their families, who make up 46 percent of the Nation's population.

With these funds, we can continue the programs already in existence, and begin the new ones I will outline in this Message.

BASIC BENEFITS

Two programs to extend the basic benefits to America's veterans and servicemen are left on the unfinished agenda of the 90th Congress.

In my 1967 Message on America's Servicemen and Veterans, I proposed measures to:

Increase Serviceman's Group Life Insurance from a maximum of \$10,000 to a minimum of \$12,000—with higher amounts scaled to the pay of the serviceman, up to a maximum of \$30,000.

Protect the veteran against disproportionate pension losses that could result from increases in other income such as Social Security.

I once again—once more—urge the Congress to enact these proposals.

Now, to continue and bring up-to-date our efforts to help the veteran and his family, I recommend two new legislative proposals.

First, I ask the Congress to increase the maximum guarantee on GI home loans from \$7,500 to \$10,000.

Home mortgage guarantees under the GI Bill normally cover about 35 percent of the value of a loan.

CALL OF THE HOUSE

Mr. ASHBROOK (during the reading). Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 7]

| | | |
|--------------|---------------|-------------|
| Abbitt | Diggs | Moorhead |
| Andrews, | Eckhardt | Moss |
| N. Dak. | Erlenborn | Passman |
| Ashley | Foley | Pike |
| Bell | Fountain | Resnick |
| Blatnik | Gubser | Robison |
| Brock | Halleck | Rosenthal |
| Burton, Utah | Hansen, Wash. | St. Onge |
| Cederberg | Hathaway | Shriver |
| Clark | Hawkins | Smith, Iowa |
| Clausen, | Ichord | Springer |
| Don H. | Jarman | Taft |
| Cleveland | Kupferman | Talcott |
| Conte | Long, Md. | Tunney |
| Corbett | Lukens | Van Deerlin |
| Corman | McFall | Vanik |
| Cramer | Mills | Whalen |
| Daddario | Mink | |
| de la Garza | Monagan | |

The SPEAKER pro tempore (Mr. ALBERT). On this rollcall, 378 Members have answered to their names, a quorum.

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

AMERICA'S SERVICEMEN AND VETERANS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 245)

The SPEAKER pro tempore. The Clerk will continue the reading of the message.

The Clerk read as follows:

For eighteen years, that guarantee has remained at \$7,500—adequate in 1950, but no longer so in today's housing market.

The increase I am recommending will help the veteran to purchase a decent home and get the financing protection which the law promises him.

Since World War II, with encouragement of the Government and supported by GI Bill guarantees, some \$68 billion

have been loaned by the private sector to home-buying veterans.

This suggests the beneficial impact the program has had on our economy.

But its meaning reaches deeper into the traditional values of American life. Almost 7 million veterans—many of them of modest means and some without even the money for a down payment—have experienced the satisfaction of home ownership through this program.

Second, I propose that the benefits of Vocational Rehabilitation be extended to service-disabled veterans being trained on a part-time as well as full-time basis.

Presently, a disabled veteran can take Vocational Rehabilitation and receive a training allowance only if he trains full-time. This restriction may present him with a hard choice: either leave his job for training, or forego the training itself.

Clearly, that choice is unfair.

The disabled veteran should be able to keep his job while he prepares for a better one through vocational training, drawing the allowance it provides.

THE QUALITY OF ADMINISTRATION

The purpose of our veterans' program is to serve those who have served us.

That purpose can be blunted unless the quality of program administration keeps pace with the growth of our veteran population. Last year, almost three quarters of a million servicemen and women returned to civilian life. This year, that number will increase to over 850,000.

The ultimate effectiveness of our programs turns on these conditions:

The veteran must be aware of them.

He must be able to choose among them.

He must know that the help he needs will be there when he needs it.

We have tried to make certain that men leaving the service become familiar with the benefits that await them as veterans.

Last year, at my direction, the Veterans Administration took its services to the battlefield for the first time. VA teams counseled 220,000 fighting men in Vietnam, before they left their posts to return home.

I have asked the Administrator of Veterans Affairs to step up this program.

Late in 1966, the Veterans Administration began visiting sick and wounded servicemen at their bedside in our military hospitals.

Since then, over 17,000 applications for special training and disability payments have been processed on the spot.

This program now operates in 110 military hospitals.

I have directed the Administrator of Veterans Affairs immediately to expand the program to the entire system of military hospitals.

Veterans Administration counseling is also now in operation at 150 military separation points.

I have directed the Administrator to extend this program to all 257 such centers.

Through these expanded services in hospitals and separation centers, the Veterans Administration can reach more than 70,000 servicemen each month.

The remaining task is to make certain

all veterans are reached once they have returned to their communities.

Consider the man who comes home today. His Government has made a vast array of programs available to him. But what effect are the programs if he cannot find them? And in our major cities, where facilities are often scattered across widely separated areas, this is a serious problem—particularly for those who need the programs the most.

The answer, I believe, lies in an effort we have never tried before for our veterans—the one-stop center. I believe we should locate in one place the offices where a veteran can receive personal attention and counsel on all the benefits the law provides him—from housing to health, from education to employment.

I have today ordered that U.S. Veterans Assistance Centers be opened in 10 major cities within the coming month. These cities are New York, Chicago, Los Angeles, Philadelphia, Detroit, Cleveland, Washington, D.C., San Francisco, Boston and Atlanta.

I propose to have one-stop centers in 10 other cities as soon as possible—Baltimore, Milwaukee, Houston, St. Louis, Pittsburgh, San Antonio, New Orleans, Indianapolis, Phoenix and Newark.

Based on the experience gained in these 20 pilot locations, we look forward to establishing one-stop centers in other cities.

We will seek and welcome participation in these centers by State and local officials, and by community organizations engaged in helping the veteran.

JOBS AND TRAINING MILITARY PROGRAMS

A man who has fought for his country deserves gratitude. But gratitude can be no substitute for the job he wants—and needs.

Particularly is it necessary to assure job opportunities to the veteran who has received few other advantages from life. It is this man who must be the focus of our concern and our attention.

We are beginning.

We are helping him as he enters the Armed Forces—through Project 100,000—and as he prepares to muster out—in Project Transition.

Project 100,000 extends the responsibilities of citizenship and the benefits of military training to young men who would otherwise be rejected because of educational or physical limitations.

This program was launched at my direction by the Secretary of Defense in late 1966.

In the first year, almost 50,000 disadvantaged young Americans were prepared in Army classrooms and clinics to take their place in basic training.

The results of their special training speak in these statistics:

96 percent graduated from basic training, almost the same rate for all trainees.

Some have gone on to Non-Commissioned Officer schools.

All have gained self-confidence and a sense of achievement which will serve them all the years of their lives.

I have asked the Secretary of Defense to enroll 100,000 men in this vital program during its second year.

Project Transition gives a boost to dis-

advantaged men in the six months before they return to civilian life.

Men without civilian skills and without education receive a concentrated program of preparation. In classrooms and at work benches, through counseling and job placement services, they are prepared for the road home.

I have asked the Secretary of Defense to extend Project Transition—proven in practice at five bases last year—to all principal troop installations in the United States. Our target is to reach 500,000 servicemen in the year ahead and then follow their progress in civilian life.

FEDERAL-STATE EMPLOYMENT OFFICES

Last year I was disturbed to learn that some veterans returning from service to their country had such difficulty finding jobs they had to rely on unemployment compensation.

This ought to be corrected.

To correct it, in August I directed the Secretary of Labor to give every returning veteran maximum assistance in obtaining useful and rewarding employment. Since that time, a system has been set up which operates in every State, through the network of more than 2,000 Federal-State Employment offices. That system has now made the names and addresses of 230,000 returning veterans available to Employment offices for personal contact.

The Secretary of Labor recently told me that early reports from the men, their parents, and Veterans Organizations show the program is achieving good results.

It is important that those results continue. It is in America's interest that this program succeed.

CIVIL SERVICE

The Federal Government has long set an example for the rest of the Nation as a good employer of veterans. Veteran's preference is deeply imbedded in our Civil Service system.

But I am convinced that the Federal Government can be even a better employer.

Last month I asked the Chairman of the Civil Service Commission to develop an action plan to accomplish this purpose.

That plan is now completed.

I will shortly sign an Executive Order putting the plan into effect.

Its major impact will reach the veteran who needs experience, skill and education. He will be hired on a priority basis to fill jobs open in the first five levels of the Civil Service, without having to compete in the regular examination—provided he agrees to pursue a part-time educational program under the GI Bill.

This plan will also help veterans with technical or professional skills who want to work in the middle and upper Civil Service levels. Their applications will be given immediate attention.

VETERANS IN INDUSTRY

Most veterans, of course, will go into private industry—where six out of every seven Americans are employed.

Those returning to old jobs have rights protected under the law.

Those seeking new employment—or

their first jobs—sometimes find the road difficult.

These young Americans, who have done so much for their country, merit the special consideration of the private employer.

That consideration cannot be imposed by Government decree—nor should it.

It is appropriate, however—particularly in these times when men are being called from their civilian pursuits to defend their country—for leaders of the Government to express their hope that right will be done to those who serve.

To help enlarge the opportunities for veterans' employment, I urge the enactment of a joint resolution expressing the sense of the Congress that private employers should give job priority to our returning servicemen.

Our objective is to make sure that every serviceman who returns to civilian life today and in the months ahead—no matter where he lives, what background he might have come from, what his hopes and ambitions are—will have the education he wants, the training he needs, and the opportunities for the job he is best suited for.

With the proposals I have outlined in this Message, I believe we can advance toward that day.

VETERANS IN PUBLIC SERVICE

If the veteran needs his country's help, the country needs his more.

The veteran of Valley Forge knew better than most the value of the nation he was building.

The veteran of Antietam knew better than most the value of the Union he helped to heal and save.

The veteran of the battles that rage across the mountains and lowlands of Vietnam today knows better than most the value of the freedom he preserves.

That man is an asset beyond measure to his nation.

Wherever we can, we should continue to enlist him—in service to his community, when military duty is over.

To do this, I propose the Veterans In the Public Service Act of 1968.

This measure will provide incentives to channel the talents of the veteran to the most urgent needs of rural and urban America today:

To teach the children of the poor;

To help man understrength police forces and fire departments;

To do meaningful work in local hospitals, where skills are short;

To fill the ranks of VISTA, to work in Youth Opportunity Centers and in the Concentrated Employment Program.

The pattern of benefits will vary, depending on the individual and the occupation pursued.

Here is an example of how the program will work for the veteran who wants to teach in a deprived area:

While he is getting the schooling that will qualify him for teaching, he will draw additional benefits of \$50 a month for every month he agrees to teach—up to three years of such extra benefits.

While he is actually on the job teaching, he will draw a special training allowance, in addition to his regular salary—\$80 a month for the first school year, \$60 a month for the second.

Should he decide to pursue a graduate degree while he is still teaching, he could—by continuing to teach beyond the second year—earn additional GI Bill educational benefits.

To launch this program, I have included \$50 million in the Fiscal 1969 budget.

THE HEALING WORK

The Veterans Administration operates the nation's largest medical complex—166 hospitals and their related clinics across the country.

Last year, these hospitals and clinics treated almost 800,000 bed patients. Nearly 7 million veterans received outpatient care.

Their treatment is of the best quality modern medicine can provide—and it is improving with greater advances in pre-hospital and post-hospital care.

But VA medicine not only serves the veteran. Its benefits extend to the entire nation.

In research, VA doctors have pioneered in such vital work as heart disease, cancer, mental illness, and organ transplant.

In 1955, no money was spent for VA medical research. Now that amount exceeds \$45 million. Its gains make it one of the Nation's best investments.

In medical manpower, the Veterans Administration helps to train nearly half of all the doctors who graduate from medical school today.

The number of all medical specialists trained in VA hospitals each year totals some 40,000—including nurses, dentists, and other disciplines ranging from audiologists to social workers, who take their skills to the communities of this country.

There is room in the VA system to train even more.

And there is a pressing need in the nation for more.

I have directed the Administrator of Veterans Affairs to step up the training of medical specialists.

To help overcome the medical manpower shortage in America, and at the same time improve care to America's veterans, our goal will be to train as many as 80,000 specialists a year in the VA system.

THE U.S. VETERANS ADVISORY COMMISSION

Last year, I asked the Administrator of Veterans Affairs—in consultation with veterans' groups—to conduct a comprehensive study of the pension, compensation and benefits system for veterans, their families and their survivors.

I asked him to form an Advisory Commission which would evaluate these programs to assure that our tax dollars are being used most wisely, and that the Government is fully meeting its responsibilities.

That Commission, composed of 11 distinguished Americans, has now held hearings in cities all across the country.

We are looking forward to the recommendations of the Commission.

Every veteran who wants it—those who risked their lives at Belleau Wood, Iwo Jima and the DMZ—should have the right to burial in a National Cemetery situated reasonably close to his

home. I have asked the Administrator of Veterans Affairs to make certain that the recommendations of the Commission include proposals to assure this right in a meaningful sense.

CONCLUSION

More than 20 years ago on the floor of the House of Representatives, I said that it is this nation's responsibility to see to it that "the veteran may return to his community as a free, upstanding and self-reliant citizen."

The times then, as complex as they seemed, were simple in perspective.

As President, I have seen—and acted on—the responsibilities unique to our own day.

The events of the past week have underscored their gravity.

Today, as in times past, it is on America's fighting men that this nation must depend.

Their service honors us all.

We look to that good day when they will return "as free, upstanding and self-reliant citizens."

It is in this spirit of concern for America's veterans that I submit this message to the Congress today.

LYNDON B. JOHNSON.

THE WHITE HOUSE, January 30, 1968.

The message was, without objection, referred by the Speaker pro tempore (Mr. ALBERT) to the Committee on Veterans' Affairs and ordered to be printed.

THE PRESIDENT'S MESSAGE ON VETERANS' LEGISLATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. McCORMACK] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, impressed and stirred by this second President's message on servicemen and veterans, following closely upon his message last year which led to great improvements in veterans' benefits, I would like to call to the attention of this body our grave responsibility not only to our veterans but to the Nation as a whole.

We stand at a critical stage in the Nation's history.

Like the glorious sun breaking through dark thunder clouds on a stormy day, the President's message lights up a clear and welcome path ahead. It gives us a means not only of rewarding our fighting men, of increasing the educational level and the living standards of our citizenry, but also of fighting the blight that has arisen in some areas of the Nation and removing the cancer of doubt and hopelessness that has been gnawing at the Nation's vitals.

It shows we care.

It is this feature of the President's message that thrilled me so. It demonstrated to all our people, of whatever race or creed or walk in life, that we do care—for the young, for the elderly, for the untrained and uneducated, for the sick and disabled.

In its hope and its promise it symbolized the very spirit of America.

For the elderly, a promise that the older veteran and the widows of veterans will no longer have their pensions threatened by increases in other income such as social security.

For the young, a promise of better educational opportunities brought to them by dedicated young men who have learned the true meaning of liberty and the soul of America through the brutality of war.

For the young also, veterans and non-veterans, a promise of job opportunity, of being part of the great American productive machinery.

Constant improvements and continuing advancement in VA medical care benefit veterans primarily. But VA medicine not only serves the veteran. As the President said in his great message, the benefits of VA medicine extend to the entire Nation.

And they will be extended faster and farther in the future.

The President has directed that the VA's extensive program of training medical specialists in this country—from doctors, dentists, and nurses to audiologists, social workers, and other disciplines—be stepped up.

Thus, we can look to raised sights in VA medical training—to the improvement in the care for America's veterans—to help in the elimination of a medical manpower shortage in America.

For the untrained and uneducated, the President's message opens vistas to new horizons, answering the cries that have come to us from the heart of our great cities. It aids not only the veteran but all America. It looks past the present stormy scenes to the calm and growth of the future. It sets the Nation on the path to continued growth and prosperity with a happier people and a more meaningful purpose.

Let us join in bringing about this great far-reaching program.

We need no further cause to act than the needs defined so well by the President in his message in behalf of America's servicemen and veterans.

But should we flag or falter, let us ask ourselves: What would happen to our beloved America if our brave sons fighting and dying in Vietnam should also flag or falter?

We know the answer.

We dare not, we will not fail.

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

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

There was no objection.

Mr. ALBERT. Mr. Speaker, the original GI bill, passed by the Congress in 1944, was one of the most farsighted, enlightened, and beneficial laws ever enacted by any legislative body in the history of the world.

It will always have a unique place in the annals of generous benefits provided our Nation's veterans by a grateful people.

But as fine as this early legislation was, I am proud to say that in the past few years there has, in my opinion, been

greater progress made in the field of veteran legislation than in any comparable period in the memory of any Member of Congress.

Under the leadership of President Johnson, and guided by such wise Americans dedicated to the welfare of veterans as the distinguished chairman of the Committee on Veterans Affairs, the gentleman from Texas, Representative OLIN E. TEAGUE, the gratitude of our people to this Nation's veterans has found a new depth and a new intensity of expression.

The President in his latest inspiring message in behalf of America's servicemen and veterans barely alludes to recent accomplishments in fulfilling the Nation's obligation—as Abraham Lincoln saw it—"to care for him who shall have borne the battle, and for his widow and his orphan."

I think it is appropriate, however, that in considering what the President says must still be done for those who served, we also review briefly the incomparable record of veteran legislation that has been written these past few years.

In addition to the many-faceted Veterans' Pension and Readjustment Assistance Act of 1967, passed by the first session of the 90th Congress, veteran legislative accomplishments in the past few years alone have included—

A new GI bill under which more than 635,000 veterans and servicemen have entered education and training, and 184,000 home loans with a face value of nearly \$3 billion have been made;

Three military pay raises since August 1965;

An increase in hostile fire pay;

A comprehensive "military medicare" program;

The servicemen's group life insurance program, which now provides \$36 billion worth of insurance for 3,700,000 servicemen at a maximum cost of only \$2 a month for each serviceman;

A 10-percent average increase in disability compensation;

A 1965 cost-of-living increase for veterans and dependents receiving VA pension amounting to \$96 million annually;

A \$300 million average annual increase in VA appropriations;

First-time nursing home type care for veterans;

Increased educational assistance allowances for 63,000 children of deceased or totally disabled veterans;

Higher subsistence payments to 13,000 disabled veterans taking rehabilitation training; and

A reopening of GI insurance for disabled veterans.

These benefits bespeak eloquently the Nation's deep and continuing gratitude to its servicemen and veterans.

However, because brave Americans are still serving, still fighting, and still dying in defense of freedom—our own as well as that of other people—our thanks can never be finally said.

President Johnson has told us what must still be done to help our servicemen and veterans and to give them the opportunity to continue to help others less gifted.

I know that my distinguished col-

leagues share my conviction that the Congress should and will give earnest and early consideration to the President's latest requests, and that we will approve them promptly.

Every legislative action the President requests is vitally important in its own right.

There has been no change in the amount of insurance available to our fighting men since World War I. It is high time we increase the amount of insurance available to servicemen from a present maximum of \$10,000 to \$30,000, as the President has twice asked us to do.

Disabled and needy veterans will suffer if we should fail to provide legislative safeguards against loss of pension owing to increases in other income such as social security.

There has been no increase in 18 years in the maximum portion of a GI loan the Government is permitted to guarantee, and yet the cost of homes has risen steadily. Surely we need to increase the present maximum guarantee from \$7,500 to at least \$10,000.

To fail to grant part-time vocational rehabilitation training will continue to penalize service-disabled veterans who otherwise could work at a regular job and at the same time train to improve their skills.

I feel Congress will want to speak with a single voice in urging the priority employment of returning veterans in private industry, and in passing the sorely needed veterans in the Public Service Act.

If we in Congress are to match the impressive list of administrative actions on behalf of servicemen and veterans the President intends to take, we must act on these legislative measures at the earliest possible date.

Mr. TEAGUE of Texas. Mr. Speaker, I welcome the outstanding message sent to us by President Johnson dealing with his recommendations for expanded benefits for our veterans and servicemen. With some 26 million Americans now bearing the title of "Veteran," and another 600,000 a year joining these ranks, it is fitting that our Chief Executive should take due note of this segment of our population. His interest in the programs being enacted for our veterans, and especially those programs which will benefit our Vietnam veterans, is a most encouraging sign. I compliment the President for his interest and his excellent recommendations.

I was particularly interested in the President's proposal that the GI loan guaranty program be revamped so that the guaranteed portion would increase from \$7,500 to \$10,000. The Veterans Affairs Committee has slated this as our number one priority, and as our first order of business on February 7 we will begin hearings on this matter. In addition to the proposal to increase the loan guarantee amount, we also welcome the opportunity to discuss the possibility of an increase in the interest rate for VA loans, as we are most interested in making more homes available to our returning servicemen.

With 5 million men becoming eligible for these home loans through the third

generation GI bill, and with more thousands becoming eligible each month, it is imperative that we revitalize the housing policies for our veterans. The loan policies must be in keeping with our present economic situation and the funds available for new housing throughout the country.

I welcomed the President's comments on the national cemetery system. As you know, last year the House of Representatives changed the responsibility for the three different systems to the Veterans Affairs Committee. We have a great interest in this problem, and we are planning extensive hearings on this matter in order to develop a program which will meet our present needs. We hope to have these proposals ready for congressional action early in the year.

I am happy to say that the House unanimously passed last session the legislation which will protect the veteran who is on the pension roles against losses that could result from increases in other income such as social security. I join with the President in hoping that this legislation will meet with expeditious Senate approval. The social security increases are scheduled to begin in April, and our present laws make allowances for any increase within the year in computing the amounts for pension purposes. But I believe that it would be to the benefit of those concerned that the legislation be sent to the President in order that they would not have to worry about eventualities which could leave them without the necessary laws to cover this social security increase.

I was happy to note that the President had directed the Veterans' Administration to intensify their existing program of counseling in Vietnam, at discharge centers and in military hospitals. We face a more difficult problem in this conflict than we have in the past when large numbers of persons were discharged at selected centers. Now, there are some 257 centers located at military bases where servicemen may be discharged. There are no longer the large groups, and it is difficult to inform the veteran of all his benefits which have been enacted by the Congress for him. These new directives will assure that all veterans receive the information which will make his transition from military to civilian life easier.

I was interested in the President's comment on the U.S. Veterans Advisory Commission. I assure you that the Veterans Affairs Committee is most interested in studying the report which they will make. These outstanding veteran leaders traveled throughout the Nation last year, interviewing hundreds of veterans, veterans organization leaders, and other civic leaders on their ideas for the entire veterans benefit program.

This Commission was headed by Mr. Robert M. McCurdy, who resigned as the American Legion's National Rehabilitation Commission Chairman. Others on the Commission were Mr. Andy Borge, former commander in chief of the Veterans of Foreign Wars; Mr. Claude Callegary, former national commander of the Disabled American Veterans; Mr. Melvin T. Dixon, State service officer,

Florida Department of Veterans Affairs; Mr. Ralph E. Hall, national executive director of AMVETS; Mr. Herbert M. Houston, past national commander of the Veterans of World War I; Mr. Melvin L. Jacobsen, Nevada commissioner for veterans' affairs since 1953; Mr. L. Eldon James, past national commander of the American Legion; Mr. William N. Rice, director of the Colorado State Department of Veterans' Affairs since 1947; Col. Warren A. Robinson, a retired military career officer; and Mr. Pete Wheeler, presently director of the Georgia Department of Veterans' Service.

Specific legislation is needed to cope with the problems that each group of veterans present. We are pleased that the Congress is able to work in close cooperation with the Executive Department in formulating new programs, as well as the extension or expansion of existing programs, that will provide benefits which are in keeping with the changing times and living standards of this Nation.

The brave men who today are engaged in mortal combat with Communist aggressors in Vietnam deserve the gratitude and thanks of this Nation. But they deserve more than words—they deserve our actions in answering their needs upon their return to civilian life. The Nation and its Congress will respond to these needs by enacting legislation that will show our respect.

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

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

There was no objection.

Mr. ADAIR. Mr. Speaker, I have read with interest the President's message on veterans and servicemen. I am pleased that he has seen fit to single out this important segment of our population for consideration. This message, Mr. Speaker, represents a manifestation of the increasing desire on the part of the Government and our people to adequately and properly discharge an obligation to the millions of men and women who have answered the call to arms in defense of freedom.

The recommendations of the President with respect to veterans are relatively modest in scope and cost. It is unfortunate that such unusual restraints have not been exercised in many of the administration's other spending programs.

Most of the cost attached to the recommendations of the President are attributable to H.R. 12555, the veterans pension bill which passed the House on December 15 of last year.

The Committee on Veterans' Affairs just recently acquired jurisdiction over legislation relating to national cemeteries. Since that time, the committee and its staff have been accumulating data and studying this problem with a view to formulating a national policy on cemeteries and veterans' burial. I am pleased to see that the President has added his voice to those seeking a solution to this urgent problem.

One program that has been tested and found worthy is the program of counse-

ing on the scene in Vietnam those servicemen who are about to be discharged and are being acquainted before they leave the battle area with the benefits and assistance programs that have been established for them.

The Veterans' Administration, with the cooperation of the Department of Defense, set up more than a year ago its first pilot program in Vietnam to give these servicemen full information about GI education, home loans, employment rights, and all other benefits provided by the Congress.

The program has been a huge success. Thus far more than 220,000 combat troops have learned first hand of their entitlement and been instructed in how to make application for these hard-won privileges.

The President now calls for a step-up in this program. Concurrently with this effort on the far-off field of battle, the Veterans' Administration launched another innovation in counseling. Unwilling to wait until the sick and wounded servicemen were able to leave their hospital beds for a formal return to civilian status, the VA began visiting sick and wounded servicemen at their hospital bedsides. Since that time, applications for special training and disability payments have been processed on the spot for more than 17,000 sick and wounded.

VA has operated its program in 110 military hospitals and 150 separation centers. In his current message, the President has revealed that he has asked the Administrator of Veterans' Affairs to expand this program to 176 military hospitals—practically the entire military hospital system—and all of the 257 military separation centers. In this way, through visits to hospitals and separation centers the VA will be able to reach more than 70,000 servicemen each month.

Some of the President's recommendations will require a closer look and careful study. Let me assure my colleagues, that whether or not the President's proposals are enacted, the Committee on Veterans' Affairs will continue its dedicated efforts to perfect a sound structure of veterans' benefits.

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

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

There was no objection.

Mr. SAYLOR. Mr. Speaker, improvements in veterans benefits proposed in the President's message deserve our careful consideration. It is no small matter to send a man to war. To do less than we can for him when he returns would be to violate the great traditions of this country.

One important contribution this Nation can make is to assure every veteran, whether he is a frontline hero or whether he has been assigned a support role, the privilege of being buried in a national cemetery. This should be a basic right for any serviceman and veteran, and the burial place should be convenient to his home.

I am delighted with the President's

words that every veteran who wants it—those who risked their lives at Belleau Wood, Iwo Jima, and the DMZ—should have the right to burial in a national cemetery. I have advocated this policy since becoming a Member of Congress and at long last it is assuring to have administration support. I also note that recommendations for the prompt solution of this vexing situation undoubtedly will be made in the report to be submitted by the U.S. Advisory Commission.

Today our men are fighting and giving their lives in freedom's defense. It is profoundly necessary that we convey to them—and to Americans everywhere—our full acknowledgement and gratitude for their selfless service in Vietnam and elsewhere in the world threatened by the forces of aggression.

I support the proposals to increase the maximum guarantee on GI home loans from \$7,500 to \$10,000. For 18 years, that guarantee has remained at \$7,500—adequate in 1950, as the President pointed out, but no longer so in today's housing market. Homeownership fosters citizenship—the veteran became a man with roots; a man with stability that homeownership seems to engender. The effect of the GI loan program will last long after it has passed from the American scene, so let us give it every support we can possibly extend to this most beneficial program.

This Congress also should allow service-disabled veterans to take advantage of vocational rehabilitation on a part-time basis, relaxing the present requirement for full-time enrollment. This is in keeping with a trend in America for persons on jobs to take after-work training to enrich their lives. Training and educational programs for veterans have helped to build up America's manpower reservoirs, so urgently needed for our Nation's strength and well-being.

There also is another plan presented by the administration which deserves our careful consideration. It is called veterans in public service—VIPS. This not only is designed to give veterans a new opportunity, but it hopefully would encourage former servicemen to take their skills and education into areas of public service.

This would help erase the shortage of teachers in slum classrooms, beef up forces of police and firemen, supply hospital workers and persons who choose work in economically deprived areas. I can think of no better and more patriotic group of persons to send into these areas of public service than our veterans—the men who know the real value of freedom and democracy.

In the message to Congress, the President quoted Abraham Lincoln in defining this country's historic obligation "to care for him who shall have borne the battle, and for his widow, and his orphan." I endorse this philosophy and ask my colleagues to help make it an essential part of the lives of our veterans and their survivors by acting swiftly on the generous and vitally needed measures recommended in the veterans message.

These proposals, and previous laws passed by the Congress, demonstrate convincingly that America has not for-

gotten her veterans; that, through training and other benefits, America has given veterans the opportunity to make up for the years lost in service, so that they might achieve their rightful places in our society.

Mr. BYRNE of Pennsylvania. Mr. Speaker, the President's message on veterans affairs demonstrates renewed dedication by the administration to care for our returning servicemen and their families.

I was particularly pleased to learn that Philadelphia will be among the 10 major cities designated for U.S. veterans assistance centers. The idea of having the varied services available to returning servicemen under one roof shows concern for assisting the veteran in readjustment to civilian life.

The President's proposed Veterans in Public Service Act is doubly important to this Nation and deserves careful consideration by my colleagues.

First, it will open doors of opportunity to serve for veterans. It gives fresh incentives to being a policeman or fireman; a schoolteacher in an economically deprived area; or makes VISTA, youth opportunity centers, and the concentrated employment program more attractive.

Second, it will supply these needed fields of endeavor with the finest talent this country has to offer—its veterans.

I was pleased to see renewed support by the President for increased maximums in life insurance for veterans and the House-passed bill which is now pending in the Senate concerning disproportionate veterans pensions losses because of other income—such as social security.

Congress should move swiftly to increase the maximum guarantee on home loans and extend vocational rehabilitation to part-time enrollees who are disabled veterans.

The administration should be commended for executive efforts to expand benefits and services to veterans, such as increased in-hospital counseling, expansion of Project 100,000 and Project Transition. These programs are vital in seeing that veterans are quickly employed. I also endorse new emphasis on veterans hiring by civil service and private industry. These, connected with VIPS and the new assistance centers, should offer new encouragement to our servicemen and veterans. There should be no question but what opportunity and sincere assistance awaits them when they need help.

Mr. TENZER. Mr. Speaker, I think we owe it to our veterans—especially those fighting in Vietnam—to get behind the President's recommendations in his special veterans message to the Congress.

I also think this program should be adopted by both Houses of Congress as soon as it is possible for them to do so.

We recall passage of the Veterans Pension and Readjustment Assistance Act of 1967 by the Congress. This legislation was urgently needed, to provide benefits to men serving in the Vietnam era equivalent to those provided men and women who served during World War II and Korea.

I am especially gratified to see that the President has advocated an increase in

the amount of GI insurance to be made available to the men and women in our Armed Forces. Since World War II and Korea, the world has moved along—prices and the cost of living in the United States have gone up.

The amount of Government insurance made available to the GI today is the same as it was way back during World War I. The amount of insurance provided a half-century ago is today clearly inadequate. It must be increased to provide more protection to the families of men who fall in battle, or to the ravages of diseases and illness brought on by their military service.

Of particular interest is the President's proposal for a Veterans in the Public Service Act of 1968—a measure designed to provide incentives to channel the talents of veterans to the fields of teaching the disadvantaged, help strengthen police and fire departments, work in local hospitals in need of skills and add to the ranks of VISTA volunteers by working in youth opportunity centers and in concentrated employment programs.

The proposed investment of \$50 million in this public service program is certainly justified and can serve as a pilot project for the service corps concept.

To increase the amount of available servicemen's group life insurance from the current maximum of \$10,000 to a minimum of \$12,000, with higher amounts scaled to the pay of the servicemen to a maximum of \$30,000, is completely justified under our present-day economic standard.

I believe a man can do a better job, whatever that job might be, if he knows his family will be taken care of in case of misfortune. Free from financial worry, the GI can concentrate on his duties, and these duties, we know, demand his complete attention.

Another recommendation of the President, phrased as a request for specific recommendations from the U.S. Veterans Advisory Commission, calls for the burial of veterans in national cemeteries reasonably close to home. Most veterans want this right. We should see that it is granted them.

Mr. VANIK. Mr. Speaker, today the President outlined his blueprint for the homecoming he wants our veterans to receive. It is rightfully the most far-reaching veterans program the Congress has been asked to consider. Its proposals will help returning service men and women to have adequate homes and to qualify for jobs which can develop into the stable life we all desire.

I especially compliment the President for taking positive steps to overcome the communications gap between the servicemen and the benefits the country has provided. All our efforts will be in vain if the veterans for whom they are designed do not know of their existence. I believe the establishment of one-stop centers where a veteran can receive personal attention and advice on all the benefits provided for him will do much to hasten his transition into civilian life. I am happy the city of Cleveland is among one of the 10 major cities named to shortly open a U.S. veterans assistance center.

I strongly support the veterans-in-public-service program. I know that a man or woman who has defended his country against enemy aggression will be mentally, physically, and morally ready to work for a solution to problems on the homefront. It takes a special kind of person to fill the ranks of VISTA, to work in youth opportunity centers, to teach the children of the poor, and these veterans, more than anyone else, can rejuvenate our citizens in the pursuit of the American dream of peace, happiness, health, and prosperity.

I believe the President's proposals encompass the many needs our veterans will face, and I welcome the opportunity to lend my support to assuring them of the homecoming they so richly deserve.

Mr. POAGE. Mr. Speaker, I see in the President's message today concern not only with veterans affairs, but also with one of the most serious manpower shortages in our Nation today—a shortage in trained medical personnel, especially the shortage of doctors and nurses.

We have made great strides in the last decades in making medical care available to the American people—to the elderly, the young, and the needy. The business community has made such care available to millions more through its health insurance programs. But all this is of no use unless the necessary people and facilities are ready to minister to the sick.

America is suffering from a critical shortage of medical personnel. It is extremely important to our citizens' welfare that we recognize this shortage, and take steps to fill the gap.

The training programs the President has asked the Veterans' Administration to develop represents a step toward the goal of a full medical manpower supply. These programs utilize already existing facilities and personnel—a wise approach to the rapid filling of the medical ranks. I commend the President for his action in this situation.

VA medicine not only serves the veteran, but its benefits extend, literally, to all mankind.

VA's research has pioneered many new techniques and approaches in medicine and in such vital areas as heart disease and mental illness.

With its 166 hospitals, the VA has trained thousands of doctors and professional workers. The President says there is room in the VA medical system to train even more and he has asked the VA to do so. I support that and hope that this measure advocated by the President will be favorably acted upon by the Congress.

In my own area there is an especial and outstanding opportunity to rapidly enlarge our medical training facilities. The Veterans' Administration has a splendid hospital at Temple, Tex. The Scott and White Clinic, the Kings Daughters Hospital, and the Santa Fe Hospital, together with the Veterans' Administration facilities provide an outstanding nucleus of medical activity. Improbable as I know it seems, to me Temple, Tex.—a small city of less than 50,000—has more fellows of the American Medical Association than any city in Texas of less than a quarter of a million.

Indeed, it seems quite probable that only the three very large cities in Texas have as many well-qualified doctors ready to teach in a medical school. With the type of medical institutions that are found in Temple, there is also probable more clinical material than in any except the three large cities.

The location for a medical school on the new "Hospital Loop" on the South Side of Temple will be provided without cost to the State, and indeed, if such a medical school were authorized at this time the Veterans' Administration has the available space in the old hospital buildings from which patients have been moved into the new structure opened last summer. I have previously had the assurance of the Veterans' Administration that this space could be made available for immediate occupancy. This is, of course, in line with the program today outlined by the President.

Temple already has a nurses training program which can and should be expanded. The State of Texas is faced with the necessity of providing one, and probably several, new medical schools at the earliest possible date. The President's message clearly points the way to the use of the existing facilities in Temple. Apparently all we now need is approval by the State coordinating board and authorization by the State legislature. With that we can respond to the President's appeal almost overnight. Temple is ready to do so. Other agencies of the Federal Government are ready to help construct a permanent home. I believe this offers an opportunity which our State cannot afford to ignore.

Mr. BOLAND. Mr. Speaker, I commend President Johnson for his message on veterans matters transmitted to the House this afternoon.

Described in this message was a variety of aggressive new steps being taken by the Veterans' Administration and by the Department of Defense to bring the maximum good to veterans from benefits already authorized by Congress.

Also listed by the President was a series of legislative steps that are urgently needed to bring veterans benefits up to date—to make them fit the present situation and today's economy.

The President addressed his message to Congress, but it was more than that. It was a message to the men and women now serving in our Armed Forces.

The message will be heard and appreciated by all those now serving—and those about to be called—as an indicator that their Government appreciates what they are being called upon to do. The report of new administrative steps and the proposals for new authority shows an understanding of sacrifices being made by those who are moved by patriotism.

These men and women in uniform will be watching for still another message. This time, the message must come from the Congress of the United States. By our action—or by our inaction—we will be sending answers to these questions:

Do the American people appreciate the sacrifices of fighting men enough to give their survivors adequate life insurance protection?

Will they welcome him back to civilian

life by helping to smooth his transition with adequate training and job assistance?

Do they agree that he deserves the best possible medical care?

How will they use his newly developed talents of leadership, and how will he be encouraged to channel them into civilian pursuits that will benefit both him and the Nation as a whole?

Will we ask him to teach in the ghettos as a gesture of the patriotism he has already demonstrated, or will we also insure that he is justly compensated?

Our response to these questions will be a message from the American people, as well as from Congress. It will show how the people feel about the sacrifices made by their sons and husbands wherever they meet the enemy—in Vietnam, or off the coast of North Korea.

Do we appreciate their sacrifices as they stand ready in aircraft that can turn from a flight position over the Arctic toward an aggressor target on a moment's notice?

Regardless of the action we take, these men, and those who have just been called to active duty, will continue to do their duty as they see it.

But the only way they can be sure their sacrifices are not in vain is to get a message from this Congress in the form of quick action on the President's recommendations.

I urge you to give these proposals the same careful attention and speedy enactment that followed President Johnson's 1967 proposals for veterans.

Mr. LANDRUM. Mr. Speaker, a year ago—on January 31, 1967—President Johnson presented to us a message on America's servicemen and veterans.

This date marked the first time a Chief Executive ever submitted to Congress a special message on this subject.

I am proud to say that we embodied most of what the President requested into a legislative package—passed unanimously—that became Public Law 90-77 when President Johnson signed it into law on August 31, 1967—exactly 7 months after he submitted his message.

Now, the President has come to us again to further update servicemen and veterans legislation and to fill some gaps that were left open.

First, of course, we should consider two matters of unfinished business.

One is to increase the servicemen's group life insurance maximum from \$10,000—the limit established in the World War I era—to \$30,000.

Second, we must protect the veteran who is on a pension against losses he may suffer from increases in other income, such as social security. The House of Representatives unanimously passed a bill reflecting this principle last year.

As to other matters relating to America's servicemen and veterans that will come before the Congress, the President has asked for:

An increase from \$7,500 to \$10,000 in the GI loan guaranty;

Permission for veterans to take both part-time and full-time vocational rehabilitation;

A recommendation from the U.S. Vet-

erans' Advisory Commission concerning the national cemetery problem;

Expression of the sense of Congress favoring job priority for returning veterans by both the Government and private industry; and

Enactment of legislation to provide incentives to bring veterans into public service—especially as teachers in classrooms in deprived areas with teacher shortages.

I pledge my support to these programs and urge upon my colleagues that we give early approval to the recommendations made by our President.

It would be improper to let the welfare of our veterans suffer because of dilatory action on our part now.

Mr. WALKER. Mr. Speaker, I wish to add my compliments to the President of the United States for the outstanding message he has sent us today on the benefits for our servicemen and veterans. The program outlined in the President's message are definitely needed to express the full appreciation of this Nation for the sacrifices made by our servicemen.

Last year we passed legislation enlarging on the Third Generation GI bill. This legislation was introduced by my able colleague Senator JOSEPH M. MONTOYA, of my home State, in the Senate and I co-sponsored it in the House. I gave this legislation my full support, and I feel that we have made it possible for an easier return to civilian life by those men who were serving our Nation.

Today, some 26 million men and women bear the proud title of veteran. Each month we add some 70,000 more people to these ranks. With their dependents, these men and women make up over 45 percent of our total population. It is fitting and just that legislation should be enacted to see that these men and women who have made such sacrifices have every benefit that will provide opportunity for a stable and secure life.

I was particularly interested in the comments made by the President on the national cemetery system. As you know, I have been most interested in the expansion of our cemetery system. Within my home State there is a definite need for the creation of a new national cemetery. I have suggested, and introduced legislation to the effect, that a Veterans' Administration cemetery located at the site of the former VA hospital in Fort Bayard be designated as a national cemetery. In view of the change in the attitude of the White House over the importance of providing the right to burial in a national cemetery to all veterans, and in a location reasonably close to their homes, today I am hopeful that the Veterans' Affairs Committee will give speedy consideration to my legislation and give their approval for the creation of a national cemetery at the Fort Bayard site.

I was happy to note that the President had ordered an expediting of the services available to our servicemen in the way of counseling and educational opportunities. It is most important that all of our servicemen know of the many benefits that have been provided for them by Congress in order that they may take advantage of them.

Embodying in the new proposals is a

recommendation for the creation of a Veterans in Public Service—VIPS Corps. I believe that this suggestion has definite merit and should be given every consideration. Through such programs we could provide opportunities for our veterans to receive educations that would prepare them for future service in this country, aiding in the abolition of unemployment.

I, for one, welcome the suggestions of the President, and assure him that I will give every consideration to his proposals.

Mr. NIX. Mr. Speaker, the President's latest message to the Congress is a profoundly thrilling call to action. Consider the title alone: "America's Servicemen and Veterans: Our Pride and Strength." There, certainly, is a slogan for our day. Never has it been truer.

The message calls for action, yes, but not merely legislative action, important as that is to all of us right now. It is action all across the board that the President is asking of America now. The message calls for constant improvement in the administration of existing programs for servicemen and veterans, and the expansion of several. The message invites the understanding of private industry in assuring job priority for those who are bearing the cost of conflict, on their return.

I find this newest message of the President inspiring and broad-visioned. Since hearing it, and reading and rereading it, I have discussed it with many of my colleagues in the Congress, who feel the same.

Consider for a moment but one of the many stirring proposals in this certain-to-be historic document: the veterans in public service program—VIPS. Happily conceived, happily named, this proposal deserves not only legislative promotion into a program but every support thereafter along the way.

The President says, in his introduction of it.

If the veteran needs his country's help, the country needs his more.

The veterans of Valley Forge knew better than most the value of the nation he was building.

The veteran of Antietam knew better than most the value of the Union he helped to heal and save.

The veteran of the battles that rage across the mountains and lowlands of Viet-Nam today knows better than most the value of the freedom he preserves.

That man is an asset beyond measure to his nation.

Wherever we can, we should continue to enlist him—in the service to his community, when military duty is over.

To do this, I propose the Veterans in Public Service—VIPS—Act of 1968.

Thus, we have, not only the overall purpose of important new legislation broadly stated for us but the law aptly named, and I would say for all time. I approve both of the idea of the proposed law and its major provisions, as the President has outlined them in his message. These special purposes would be to provide the incentives which will guide the talents, the wisdom, and maturity of the veteran into the most urgent needs of both rural and urban America today.

To teach the child in a slum classroom;

To help man his community's police force and fire department;

To work in the local hospital;

To fill the ranks of VISTA and neighborhood youth centers.

Special incentives of a monetary nature would be offered veterans willing to man the VIPS proposal as a program.

All this will of course require approval of Congress first. I hasten to voice my unreserved approval and to urge my colleagues to get behind it. The imaginative, creative thinking which has inspired this proposal deserves encouragement, and encouragement of the most practical sort.

If I sense the mood of the American people correctly, we have a mandate from them to back the President's program for veterans.

Mr. ROBERTS. Mr. Speaker, the recommendations of President Johnson in his message to us on veterans and servicemen's benefits represent some of the most forward looking proposals ever sent to Congress.

Within this message are the means whereby we can fulfill our obligations to the men who have fought for this country, and at the same time utilize the efforts of these men in the continuing battle to better the American standards of democracy.

It is my firm belief that the veterans returning to us are most deserving of all our efforts in their behalf, but I am also convinced that they want more than just a pension or compensation. They ask for the opportunity to continue to serve the Nation as well as themselves. By the proposals in the President's message we have the way of providing a helping hand but at the same time opening the door for the opportunity to service.

It is most encouraging to witness the changing attitude of the executive branch of our Government toward our veterans. Last year we received the first Presidential message in our history dealing with veterans' benefits. This new message explores a whole new field of opportunity for this Nation, as well as expanding those programs which are already in existence.

The title of "veteran" will take on new impetus when we have acted on these recommendations. I urge that we consider the recommendations in this message as one of our first orders of business, and that we enact this legislation as soon as possible.

Mr. FULTON of Tennessee. Mr. Speaker, I am really enthusiastic about President Johnson's recommendations to aid returning servicemen and women.

For more than a year now counseling services for veterans have been extended to the battlegrounds of Vietnam. And, those who have about completed their tours of service in the battle area, are informed of their benefits before they are separated from the service. This is an unusually fine service and permits the service man or woman to study his own problems and make plans weeks, and perhaps months, before he is in a position to put them into effect.

For the disabled—for those who are recuperating in our military hospitals—an even more comprehensive service has been taken to the veteran's bedside.

Since the program first became effective in 1966, almost 50,000 of these men have been interviewed. A complete program of rehabilitation has been worked out for thousands of men.

Such programs have been giving the average serviceman a head start. They have been saving him a lot of time by permitting him to begin his rehabilitation work before he leaves the hospital. All administrative work and much of the counseling are out of the way by the time the service man is ready to leave the hospital.

This program, first tried in a few military hospitals, became so successful that it spread to other hospitals—110 of them—with equal gratifying results. Then it was increased to 150 service separation points.

In his special veterans message to Congress, the President said:

I have directed the Administrator of Veterans Affairs to expand the program to 176 military hospitals—virtually the entire system.

Regarding the military separation centers, the President said: "I have directed the Administrator to extend this program to all 257 such centers."

Thus, it appears the programs, which have proven so effective, will be increased. They should be pushed along as rapidly as possible.

I am sure all Members of the Congress want to make the return to civilian life as easy as possible for all veterans. Our programs of education and rehabilitation, during World War II and Korea, not nearly so well planned, nor on as large a scale, proved their worth and repaid the Nation manifold in increased salaries, and higher living standards. In fact, the higher income of the veteran, with its corresponding income tax increase, has practically paid for the program over the past two decades.

With this speed-up program, the veteran is able to move right along with his counseling, his education or training, thus, saving him valuable time. And the less time spent in concluding his rehabilitation, the quicker he will be able to return to civilian life.

This is a fine program, worthy of the support of everyone in Congress. Let us give the returning serviceman and woman a break by helping all we can. This goes for everyone—from the President on down.

Mr. YOUNG. Mr. Speaker, I think it can be fairly said that to enact legislation to serve those who have served our Nation in its hour of trial is one of the greatest privileges and most rewarding experiences any of us in the Congress can ever know.

President Johnson's inspiring message to the Congress on America's servicemen and veterans—"our pride and our strength"—truly affords us this privilege and this reward once again.

For myself, I plan to read and re-read this message because even in an initial review it is clearly a carefully constructed, step-by-step blueprint for action in this second session of the 90th Congress.

Its simplicity is obvious and dramatic. Quickly we can see that "to care for him

who shall have borne the battle, and for his widow and his orphan" is our paramount obligation. It is the only meaningful way we can honor those who honor us by their service and sacrifice on our behalf.

The work and the accomplishments of past Congresses on behalf of our servicemen and veterans are capsule in the President's message almost as chapter headings in a history of veterans' legislation.

Then the President defines the task that lies ahead—for the Congress and for the executive branch of Government.

In detailing the actions which the executive branch is now taking and will soon begin, in response to Presidential directives to serve those who served us, the President has once again emphasized the fact that in the field of veterans' legislation, as in all other areas, the Congress and the Executive are and must be partners as well as separate and equal branches of Government.

We can and must act concurrently.

It is significant, I think, that the President, in his message on America's pride and strength—our servicemen and veterans—reminds us, the Members of Congress, of the great role we play, and of the undreamed future we can shape.

I earnestly urge each of my colleagues to study carefully the President's message, and having done so to respond by doing those things he asked of the Congress. In so doing, we will be forging a prouder, stronger America.

Mr. HÉBERT. Mr. Speaker, it is no exaggeration to say, once again, that the eyes of the world will be upon the Congress of the United States to see how we respond—this time to the President's request to improve the lot of our servicemen and veterans.

This is something of a special period. We have servicemen in many corners of the world. They are serving under varied conditions. Probably some man in Vietnam will give his life this day—perhaps at this very hour—because he is supporting the foreign policy of the U.S. Government.

Under the rotating system we have been using, some 70,000 veterans a month are being discharged after serving their period of Vietnam-era service.

At the same time we are thrashing with the problem of armed aggression by the Communists in South Vietnam, we are being harassed by the Communists in North Korea. Recently the President found it necessary to call up elements of our reserve military strength so we can maintain our proper posture on this front without weakening ourselves as we face the challenge of the Vietnam jungles.

Those in the world who wish us well as we seek to thwart armed aggression will note with pleasure that our President, concerned about those Americans who carry such a large share of the burden, seeks to improve their lot.

Those in the world who do not wish us well will also note what the President has asked of us and will gain an impression—good or bad—by how we respond.

Americans, as they always have been,

are free to agree or disagree with the policies established by the Government they elect. But it would be inconceivable to me for any Member of Congress to oppose reasonable proposals to assist the men who willingly—or even reluctantly—have performed the chore we have given them and now seek to find their proper niche in society.

We read that today's veterans, coming back as individuals, rather than in military units, do not often receive a patriotic, flag-waving reception. Today's veteran simply wants to get back into America's society and to make up, as much as possible, for the time he has missed, the opportunities he has lost. And this country has a fine veterans program, ably administered, to help him do this.

Last year, following the President's recommendation, we improved the educational opportunities afforded to those men who will return to school. I am proud to say we even provided for the youngster who foolishly dropped out of high school. He can now return to the classroom he left and get his high school diploma without using up any of his educational benefits for college.

At a time when America faces war and aggression on the outside—and our young men are serving with gallantry—it is important to maintain a good program that will serve veterans after they have performed their duties. I urge my colleagues to support these important needs.

Mr. STEED. Mr. Speaker, I am gratified that the President has brought to our attention certain inequities and other areas in which we can do a better job in our veterans programs.

We in the Congress should certainly do all we reasonably can to provide support for the men who are now fighting in the Far East on behalf of all of us. We should provide not only whatever may be required militarily, but we should provide support for the serviceman when he returns to this country. We want our servicemen to know—we want the world to know—that we are standing behind our men.

Surely our soldiers, sailors, airmen, and marines are making a disproportionately high sacrifice. Fighting in our behalf they literally are giving their lives and limbs while we at home have the luxury of debating how many North Vietnam targets should be on the off-limit list.

As I see it, the most important thing we can do for our servicemen when they return is to help them fit back into our American way of life as promptly and as comfortably as possible.

The President's message provided a number of realistic ways we can help. He presented improvements that can be made to help veterans get rehabilitated, get an education, train for a job, find their way to the highest level they have the ability to reach.

His broad approach is commendable. Coupled with Public Law 90-77, which we passed last year, the President's new proposals call attention to other areas as well.

The high school dropout who went into military service can now go back to school and, like other veterans, can still

go on and get the college training to which he is entitled. But the President shows that he is aware that every man will not be going back to school and came up with various ways we can help a veteran get a job. This is most important—nothing is more important.

I intend to do everything in my power to assist the President assist the veteran.

Mr. MATSUNAGA. Mr. Speaker, it has frequently been said that a serviceman is praised and bemedaled during the emergency of a war, but that he is soon forgotten once he is discharged as a veteran. To a degree, history reveals that this is true. President Johnson, therefore, deserves special commendation for the message he delivered to the Congress today.

In his message to Congress, President Johnson calls for legislation to provide benefits for our younger veterans who richly deserve them. He offers his recommendation in the full knowledge that in the long run expenditures for veterans' benefits will become investments in America. The so-called GI bill of rights for World War II veterans, for example, has not only benefited the veterans and their families, but it has also brought into the Federal Treasury five times the total expenditures by way of increased taxes paid by the trained and educated veterans.

There should be no reason for delaying action on the President's request for a program to educate and train our returning veterans from Vietnam for community service as school teachers, policemen, firefighters, and hospital workers.

The President's proposed Veterans In the Public Service Act will permit our finest young men—those now serving in uniform—to continue service to America where it is most needed, in the deprived areas of our teeming cities, and in isolated rural locations. Not only will this program benefit our veterans, but it will also lend a strong, helping hand to millions of youngsters now deprived of full participation in our society.

Our veterans of earlier wars were not overlooked in this latest message from the President. I support wholeheartedly his proposal to protect veteran pensions against loss owing to increases in other incomes such as social security, for I have in fact already introduced just such a bill.

The long overdue action to make more meaningful and realistic the right of burial in a national cemetery will also have my full support.

Congress took prompt action on most of the proposals contained in the President's 1967 message on the veteran to Congress, and I predict that this body will move swiftly and favorably to enact the measures outlined in this latest message.

Mr. DONOHUE. Mr. Speaker, I desire to join with my colleagues here in commending the special message the President has just sent to us urging legislative action to more adequately protect the families of our servicemen and veterans and encourage a higher morale among the servicemen themselves.

It is well to remind ourselves today that America's some 26 million veterans

and their families comprise more than 46 percent of this Nation's population.

Perhaps never in our Nation's history have our servicemen, and their families, been required to make more disproportionate sacrifices in their military service and loyalty to this country than they are making in this hour of heightening Communist challenge.

As the Chief Executive has indicated, there are many areas in which we should more realistically respond to the needs of the servicemen and our veterans and their families.

Among them are urgently needed home loan maximum mortgage loan guarantee increases, expanded vocational rehabilitation training, job training and placement assistance, encouragement to enter public service, and many others.

However, a primary need, for the veteran and his family, in my opinion, is approval of the proposed increase in the amount of available servicemen's group life insurance from the present \$10,000 maximum to a range of \$12,000 minimum to \$30,000 maximum.

In the insurance area, there has been no substantial change since the First World War, and certainly what was deemed sufficient nearly a half century ago is clearly inadequate in our modern economic society today.

Insurance is an absolute economical security necessity for any family today, and providing our servicemen and veterans with the opportunity to obtain increased insurance is a high and urgent duty of this Government and Congress.

Once again, therefore, Mr. Speaker, may I express my hope and plea that the Congress will promptly and impartially proceed to consider and act without delay upon all the President's recommendations on behalf of our servicemen, veterans, and their families, both in their and the national interest.

Mr. FASCELL. Mr. Speaker, I am proud to join my colleagues in commending the President on his outstanding message to Congress on behalf of America's servicemen and veterans. It bespeaks compassion and concern. It also reflects realism.

There are numerous requests and proposals in this message which underscore the President's recognition of the immediately attainable as well as the still essential.

Nowhere is this better illustrated than in the President's reminder that we have a continuing obligation to assure ourselves that benefits and privileges are kept up to date, and are not eroded with the passage of time.

One benefit that has been seriously affected, if not eroded, by time is the GI home loan program.

As the President emphasized, experience has shown that America's veterans are excellent credit risks. Since the end of World War II, nearly 7 million veterans have achieved homeownership through the aid of GI bill loans. Some \$66 billion have been loaned under this program by the private sector—thus contributing significantly to the growth and strength of our national economy since World War II. Importantly, this program has also advanced the welfare

of millions of veterans and their families who know the very real, if hard to define, satisfaction and security of owning their own home.

The fact remains, however, that the average price of homes purchased with the aid of GI loans has increased from \$8,720 in 1950 to \$17,605 today. Yet, there has been no increase in 18 years in the \$7,500 maximum VA is permitted to guarantee.

The President has asked the Congress to increase the maximum VA guarantee on GI home loans from \$7,500 to \$10,000.

This is a reasonable request. Even more, in light of the outstanding record of veterans in repaying their GI loans, it is a request that will cost little or nothing in the way of additional funds.

Without this essential increase in the maximum amount of a GI loan which the VA can guarantee, this benefit will become meaningless. It will exist in law only—not in reality.

If there were only a single veteran for whom the Congress must enact this higher maximum in order to redeem this Nation's pledge of practical assistance in obtaining a home, such enactment would be justified. The truth is, of course, that this veteran now numbers in the thousands—indeed the tens of thousands—and is growing.

The need is urgent, the time is now to enact this legislation.

Mr. ANNUNZIO. Mr. Speaker, President Johnson has sent us a message on a matter of great concern to all Americans—programs for our veterans. Almost half the people in this Nation are veterans or a member of a veteran's family—they are intimately concerned. The other half of our population are loyal citizens seeking a way to express earnest concern for the welfare of those who protect our Nation and bear the sacrifices of the battle for freedom.

Through his requests and actions, the President has shown us the way to support and express our appreciation to America's loyal veterans. I have gone over his words with some care and it is apparent to me that he is giving the problems facing our Nation's veterans a great deal of thought. I can support with firm conviction each and every proposal.

I want returning veterans to have—

The best and most expedient counseling possible. The U.S. Veterans Assistance Centers will provide it.

Better homes.

Higher servicemen's life insurance.

Opportunity to train for the public service, private industry, or a Government center.

A gravesite in a national cemetery near his home.

These things and more are covered in the message we heard today. Helping these men reenter civilian life is part of our Nation's obligation to repay them for their contributions to America's security.

Let us act quickly and favorably on the President's farsighted, beneficial, and much needed program. Let us speak to our Nation's loyal and dedicated veterans in this constructive manner.

Mr. REUSS. Mr. Speaker, in his message to Congress today, President John-

son rightly called for new action to meet the "just needs" of our servicemen and veterans and their dependents.

One of these needs, which Congress should meet promptly, is for improvement in servicemen's group life insurance. President Johnson renewed his request that the present maximum of \$10,000 be raised to a range of \$12,000 to \$30,000, with the insurance amount scaled according to the pay of the serviceman.

Servicemen's group life insurance provides low-cost protection to our 3.7 million servicemen. But the adequacy of this protection has been diminishing steadily. The amount of Government insurance available today is no greater than it was half a century ago, during World War I.

President Johnson deserves support in his effort to bring this program up to date. He deserves also the appreciation of all Americans for his lively concern for the welfare of our servicemen and veterans, exhibited in his message today.

Mr. SHIPLEY. Mr. Speaker, in his message to the Congress, in behalf of veterans, the President has given us a truly remarkable document.

Reading and rereading it, one is struck with how right all of the President's recommendations are. Many recommendations attack problems we in this country have only begun to face. All seem keyed as much toward a brighter future for America as to the present. This is much more than a message for servicemen and veterans.

Take, for example, the program launched at the President's direction by the Secretary of Defense in late 1966, Project 100,000. In its first year, the program prepared almost 50,000 educationally and otherwise disadvantaged young Americans—in Army classrooms and clinics—to take their place in basic training. The responsibilities of citizenship and the benefits of military training were extended to young men who would otherwise have been rejected. Youth perhaps otherwise lost to our national effort were redeemed.

This indeed goes beyond our military needs—to solution of grave social problems. The President's message now asks that the Secretary of Defense enroll 100,000 men in this vital program in its second year.

In another example involving strengthening an on-going program, the Veterans Administration's training of medical specialists, the President has asked VA to step up that program and set a goal of training 80,000 medical specialists a year in the VA system.

We should view the President's request against the background of his other recommendations, I feel. The role of those requests gains importance as we see them supplementing and complementing programs already going on, and they are many, to help servicemen and veterans.

Among new legislation, I, as a member of the Appropriations Committee, am especially impressed with the President's proposal to enlist the veteran in service of his community, when military duty is over. The President calls for—and I urge it upon all my colleagues—enact-

ment of the Veterans in the Public Service Act of 1968.

Veterans in this highly desirable corps would teach the children of the poor, help man understrength police forces and fire departments, do meaningful work in local hospitals, fill the ranks of VISTA to work in youth opportunity centers and in the concentrated employment program.

The President's forceful message is eminently practical. It is also compassionate. It states that every veteran who wants it should have the right to burial in a national cemetery situated reasonably close to his home. The President has asked the Administrator of Veterans Affairs to make certain that recommendations of the U.S. Veterans Advisory Commission include proposals to assure this right in a meaningful sense.

Everything the President has asked for makes sense. Let us help him turn all his proposals into dynamic programs.

Mr. BOGGS. Mr. Speaker, last year the total number of living veterans reached a new high of more than 26 million. I find it of interest to note that of the 36 million men who have served in our Armed Forces since the beginning of our American Revolution, more than 70 percent are alive today.

These veterans, together with their families, make up 46 percent of our entire population.

The men who now serve us in Vietnam, and the men who fought our earlier wars have made a special contribution to our freedoms and to our American way of life.

It is only proper that we, as best we can, help them to regain what they have lost while they served in our behalf. They are entitled to special recognition for their service.

This special recognition comes in various ways—educational benefits under the GI bill, home loans, insurance, medical care, compensation, pensions for the needy, and a variety of other benefits.

Quite properly, we are doing more today to help the veteran to help himself than we ever have before. But more is needed to keep pace with the times.

We have made tremendous gains in our veterans programs under the leadership of President Johnson.

Last year we received for the first time in the history of our country a comprehensive message from a President dealing solely with many veterans benefits. The Congress acted in cooperation with the President, realizing the urgency of the situation, by enacting almost all of his recommendations.

Now we have received a second message dealing with veterans and servicemen which I am sure will take its place in history.

I am delighted to see this progressive list of proposals. While pointing out our responsibility to those men now fighting on foreign soil for freedom and liberty, it takes into consideration the men who have paid similar sacrifices in past conflicts. This message goes even further. In providing the benefits which I firmly believe are the just due of those who serve, it likewise looks toward the future of our country and provides a way to al-

leviate many of the ills that beset our Nation by utilizing and coordinating veterans benefits to serve a dual purpose.

The President voices the earnest desire that those who serve this Nation be proclaimed in a special category deserving our most sincere interest and concern.

The President intends to strengthen our counseling of servicemen on the battlefield in Vietnam, in military hospitals, and at every separation point. The new, one-stop U.S. veterans assistance centers will be a bold, pioneering effort to serve veterans in a manner never known before. It is proposed to intensify the program of personally contacting each returning serviceman to offer him help with a job, and employment opportunities will be made available in the Federal civil service.

I hope that Congress will immediately consider the recommendations contained in this message.

Mr. MILLER of California. Mr. Speaker, I am proud to join with my distinguished colleagues in commending President Johnson for his compassionate and comprehensive message on America's servicemen and veterans.

No group of citizens is more deserving of the concern and support of Congress than those who served and are still serving in the defense of freedom.

I was particularly impressed with the tenor of a significant part of the President's message. I refer specifically to the action which the President says he will take to provide immediate, meaningful additional help to veterans in obtaining the benefits which they need and which the Congress has already provided.

The U.S. veterans assistance centers which will be opened in 10 major cities within the next 30 days, will be invaluable to those veterans who most need help in obtaining employment or receiving training that will qualify them for better jobs and improve their family's security.

This is not to suggest that those who will staff these centers are not already assisting veterans in obtaining benefits under programs they administer. However, I think my colleagues will agree that the one-stop service to be provided by these centers will save a veteran both time and money.

Even more important, these centers can mean the difference between success and failure for the veteran who might not have the patience or the perseverance or the know-how or the means to go from one agency—even from one city to another in pursuit of benefits and assistance he needs and deserves.

These U.S. veterans assistance centers do not require legislation to be opened. But they certainly deserve the warm endorsement and continuing interest of the Congress, particularly of those Members from areas in which these centers will be located.

Much of the President's message concerns programs and proposals that will require legislation. I submit that the same concern and compassion for the particularly disadvantaged veteran which decided the President's directive to open the U.S. veterans assistance centers characterizes each and every additional pro-

gram and benefit requested by the President on behalf of America's servicemen and veterans.

I earnestly urge that we hear and heed the President's call for consideration and prompt enactment of the legislation outlined in his outstanding message.

Mr. BROWN of California. Mr. Speaker, the challenges that confront this Congress are compounded by the fact that we have more than half a million men fighting in Southeast Asia. However, we have an opportunity to meet our obligation to those men who are engaged in that struggle, and, at the same time, meet some of the other challenges facing this Nation.

Today I am submitting the Veterans in Public Service Act of 1968 for your consideration, which, when enacted, will not only provide benefits to those men who are so deserving, but at the same time will open a way whereby we can combat the plagues of disease, lack of education and poverty here on the homefront. I ask your serious and immediate consideration of this bill.

While viewing the events of the past 2 years, we have become acutely aware of the high caliber of young men who are serving in Vietnam. They have been eulogized by the President as the greatest group of men ever to bear arms for this Nation. We have witnessed their devotion and their willingness to sacrifice for the cause of this country by bearing themselves bravely in the field of battle. There is no question but these young men deserve, and I know will be awarded, the highest commendations of our country for their actions.

However, even more important than commendations and eulogies is the obligation we have of providing opportunity for their advancement. We can, by passing the Veterans in Public Service Act of 1968, afford them unlimited opportunity for personal advancement, but at the same time provide a challenge to them for further service to the Nation.

While we are concerned with the outcome of the Vietnam situation, we are likewise concerned over the grave problems that are facing this Nation because of a lack of opportunity for those young people in the slum areas of our country who are deprived of education, faced with disease because of lack of health facilities and without hope for future employment.

President Johnson in his message to us on veterans and servicemen's benefits has pointed out that such a program would be to the advantage of this Nation. I am in complete agreement with the President on this matter and as a result I have introduced legislation concurring with this recommendation.

It is estimated that the cost to this country for a 1-year program of VIPS would be about \$50 million. This is indeed a small amount when weighed against the good that it will accomplish for the veteran and for the Nation.

I am vitally interested in the other proposals made by the President in his message especially concerning the study to be conducted on the national cemetery system. I look forward to the recommendations that will come from the Vet-

erans' Affairs Committee on this subject, and I feel that we should undertake this study at once.

I compliment the President for administratively expediting and enlarging the programs already in existence such as the counseling in Vietnam, the bedside counseling here at home in the military hospitals, as well as the different programs being utilized by the Department of Defense to prepare servicemen for their return to civilian life.

It is indeed encouraging that the President has taken such a great interest in the welfare of our veterans. It has long been the concern of Congress to provide equitable benefits to those men who have served this Nation; but now working with the executive department we are opening a new era of accomplishment for this segment of our population.

Mr. GRAY. Mr. Speaker, in behalf of the million and a half veterans in my home State of Illinois, I listened with great interest to President Johnson's message on veterans benefits.

Like his first message on this subject last year, this report pointed up some needed changes in veterans benefits that are both timely and critical.

At least one of these proposed veterans benefits is more important to the public at large than it is to veterans. I am referring to the veterans in public service—VIPS—program.

There can be no doubt that the challenge of providing help for our disadvantaged is just as pressing as the challenge posed by our foreign enemies. In many cases, both challenges require the same type of people with the same sense of dedication and the same qualities of leadership.

To ask returning servicemen to continue their public service as teachers and social workers in our ghettos is to place too much of our public burden on the same shoulders—unless we provide special incentives and rewards.

The incentives proposed by the President are imaginative, and I believe they will be effective. I will give them my full support.

I will also support—just as enthusiastically—the additional legislative steps proposed in behalf of veterans. This most certainly includes:

An increase in the maximum for servicemen's group life insurance from a maximum of \$10,000 to a range from \$12,000 to \$30,000;

Protection for veterans' pensions against possible losses due to social security increases;

Raising GI loan guaranty from \$7,500 to \$10,000;

Permitting part-time vocational rehabilitation for injured veterans;

Insuring that each veteran has the opportunity for burial in a national cemetery convenient to his home;

And it most certainly includes support for an expression of the will of Congress with regard to job priority for veterans in the private as well as the public sector of our economy.

Mr. PURCELL. Mr. Speaker, I would be the first to agree that the Congress has before it many, many issues and bills of vital importance to this country, and

certainly, even the world will be affected by many actions taken by the Congress.

However, I think none is more equitable than legislation for servicemen, veterans, their widows, and their orphans. President Johnson has outlined ways and approaches in his veterans message to help the Congress shape laws to meet the needs of America's servicemen and veterans.

I think President Johnson has performed a valuable service in pointing up the areas, programs, benefits, and privileges which the Congress should forthwith consider and in its best judgment enact into law.

In the past few years, the Congress has enacted and the President has signed a series of measures to help honor our commitment to Americans now serving or recently separated from the Armed Forces.

It is my firm opinion that we must now take additional steps to fulfill our obligations to our gallant defenders, in and out of uniform. Veterans of the Vietnam era should receive benefits comparable to those granted to their comrades of World Wars I and II, and Korea. President Johnson has proposed many specific ways to remedy this situation and he has also indicated clearly that action is needed in the essential areas of jobs, training, and in medical care, to name a few of the pressing problems confronting our men when they leave service.

I share the President's position that it is this Nation's responsibility to see to it that "the veteran may return to this community as a free, upstanding, and self-reliant citizen."

I am immensely gratified to see that President Johnson has proposed a method to pave the way for a resolution of the national cemetery impasse. Certainly, steps should be taken to assure every veteran who wants it the right to burial in a national cemetery situated reasonably close to his home. There are tough problems involved in this situation, such as limited space and the rising cost of land, but surely the executive branch working with appropriate committees of the Congress should be able to develop a reasonable solution.

I am pleased about the activation of 10 U.S. veterans assistance centers as places where veterans can get quick assistance and complete information. These so-called one-stop centers will give our returning men and women personal attention and counsel on all the benefits the law provides them—from housing to health, from education to employment, as pointed out by the President in his message.

I am excited about the training which servicemen will receive prior to discharge from the Armed Forces. This gives our fighting men more than just gratitude. It provides the essential training he needs to get a job or start a career.

I am also happy to see that the President has ordered the State employment offices around the country to concentrate on helping veterans with their job problems. This is a program that can be beneficial to the veteran and to the Nation.

All in all, the President's recommenda-

tions in his inspiring message guarantee good results from Government programs and aid-service facilities. Now, it is up to the Congress to give immediate consideration to the proposals that need our attention. We should pass appropriate legislation now.

Mr. ANDERSON of Tennessee. Mr. Speaker, Members of this body are well aware that the effectiveness of any law depends largely upon how efficiently and compassionately it is administered. And with what dedication.

We have just received a report from President Johnson that proves beyond all doubt that existing veterans legislation has achieved its maximum effectiveness.

Only last year, the Congress provided, in response to President Johnson's request, a new GI bill for Vietnam era veterans. This was intended to be of the earliest maximum help to our fighting men in Vietnam.

President Johnson's report indicates that while they may not be able to take advantage of the veteran benefits provided them until they are discharged from service, they can be made aware of them. This awareness is being fostered in a variety of ingenious ways by the Veterans' Administration.

But VA's customer-oriented attitude goes further than helping servicemen learn about and apply for their benefits.

Are these benefits adequate in number?

Are they available, through one VA program or another, to all who need and are entitled to assistance?

Do they provide the amount of assistance needed—the quality of care or service required?

Are they equitable? Do they recognize the measures of service and sacrifice of our fighting men in Vietnam compared with the Korean conflict, for example?

Are these benefits enlightened in concept, imaginative in purpose, rewarding in result?

These criteria have been applied during the past year and certain additional needs are apparent.

I fully agree that the following proposed improvements in veterans benefits should be supported by legislation as soon as possible:

Increase servicemen's group life insurance maximum from \$10,000 to \$30,000;

Protect veterans pensions against social security increases;

Increase GI home loan guarantee from \$7,500 to \$10,000;

Expressing the sense of Congress in support of veterans' job priority in private industry.

Adopt a Veterans in Public Service Act which would encourage the flow of veteran leadership skills into ghetto teaching.

When we consider these proposals, I ask that we remember the GI bill of World War II. By any standards, this must be judged as one of the most visionary, rewarding laws ever enacted by the Congress. It was based on the conviction that the returning veterans wanted help, not a handout; that the best interests of our Nation as well as of these veterans would be served through a program of

benefits that raised their educational level, assisted them in obtaining jobs, trained them for their civilian careers, gave them stability and pride and ambition as homeowners, and increased their incomes and earning potential.

The recent proposals in behalf of Vietnam era veterans will insure that these men receive no less than their World War II counterparts.

I urge swift action of the Congress and support our President's recommendations.

Mrs. MINK. Mr. Speaker, last year President Johnson set a precedent when he sent to the Congress a special message on America's servicemen and veterans.

I submit that the President's message on this same subject to the second session of the 90th Congress is also unprecedented. For it contains not only requests for needed and merited new programs of assistance for our servicemen and veterans, but proposed legislation to enable returning veterans to continue to serve their country as leaders of tomorrow.

In light of the compassionate, concerned and visionary character and content of the President's message on behalf of our servicemen and veterans, we must, and I am certain that we will, consider and enact early in this session the specific legislation requested and recommended by the President.

There is much to commend in the President's message. In fact, the entire message merits approval. Nothing, however, deserves greater attention or more complete support than the President's call to returning Vietnam veterans to volunteer their proven leadership, maturity, and dedication in the imperative effort to resolve our most urgent domestic problems.

I毫不犹豫地 join with the President, as I am sure each of my distinguished colleagues do, in urging these veterans to extend a helping hand to the millions of our youngsters living in deprived areas.

The Veterans in Public Service Act proposed by the President as a means of encouraging veterans to engage in teaching and other public service careers in deprived areas offers the Congress an opportunity to enact legislation that is imaginative and enlightened.

Not only will such an act give veterans added benefits, it will provide them with challenging opportunities. This well thought out, comprehensive program will deal a body blow to the ignorance and sense of frustration that now shackles millions of disadvantaged youths.

To be able to help accomplish this great and good work by voting for the Veterans in Public Service Act is a privilege and a responsibility I welcome.

I would hope that this legislative body can make the President's entire message on America's servicemen and veterans the urgent item of business that it is. Separate and apart, however, I say sincerely that nothing more clearly demands our earliest consideration and unanimous approval than the veterans in public service concept.

Mr. MURPHY of New York. Mr. Speaker, the success of the veterans

programs which have been initiated since World War II have provided the basis for a continuation of such programs to our veterans of our other wars and even peacetime service. We have found that programs and benefits afforded to our former servicemen in the final analysis actually brought more money into the coffers of the U.S. Treasury than they had cost.

Once again we have the opportunity to open new vistas of opportunity for our veterans. The stirring message sent to Congress by President Johnson on veterans' and servicemen's benefits points out the way for this Nation to achieve a twofold benefit. While recognizing our responsibilities to these men who have fought for freedom, the President has shown his great determination that all of America can join in the battle against poverty, disease, and ignorance.

The President's concern for our fighting men and for our veterans has set a new high of interest. Thought-provoking recommendations are the keynote of this important message. It looks beyond the immediate necessities that we must afford our veterans to the future of the welfare of all citizens.

Following his historic message of last year, this new set of ground rules that he would like to see enacted provides us with an encompassing and comprehensive method for achieving the goals of the American people in expressing their appreciation to our servicemen.

I am pleased to note that the President is administratively enlarging on the programs that have already been enacted. The veterans of this Nation will find that the American people have responded to their sacrifices with benefits and programs befitting their devotion.

I shall give my wholehearted support to the President's program, and urge speedy enactment of his proposals.

Mr. FUQUA. Mr. Speaker, the President last year sent Congress the most comprehensive message on servicemen and veterans ever submitted by a Chief Executive. I am happy to say that I and all other Members of Congress supported the proposals contained in this message, which became law last August.

Now, President Johnson has sent us another message containing many more proposals for legislative and administrative actions to help our servicemen returning now as well as older veterans. I strongly support each of these proposed actions and especially approve the proposals to protect the pension incomes of our older veterans, and to seek recommendations that would make meaningful the right of burial in our national cemeteries.

Of great importance to younger veterans is the President's proposal to increase the VA's counseling of servicemen in Vietnam regarding their benefits even before they leave for home.

It should be continued and expanded.

This counseling of about-to-be-discharged servicemen in Vietnam has been hailed as a most worthwhile project by the servicemen, and veterans organizations.

It was started when it became evident that modern methods of discharging fighting men back into civilian ranks left

inadequate opportunity to inform them of the many benefits made available through Congress by a grateful nation.

In previous conflicts, lengthy stays at separation centers provided time for such indoctrination. Today's air travel places the serviceman back in his hometown within days of his actual combat service.

At the President's instigation, the VA set up its first Vietnam contact and information center near the close of 1966.

The pilot program lasted 3 months and was immediately followed by the establishment of two other such centers.

At the end of the first 5 months the VA had counseled more than 50,000 men with some 10,000 receiving extra in-depth counseling at their own request.

As of the end of 1967, veterans benefits information and assistance has been given 220,000 combat servicemen in Vietnam.

Now we plan to improve on this auspicious beginning.

Mr. DORN. Mr. Speaker, the Congress has just been privileged to receive a message from President Johnson that outlined a series of progressive steps being taken by the executive branch in behalf of returning servicemen.

In the same message, additional legislative steps were outlined which are needed to carry out fully programs that are vital to veterans and to the Nation as a whole.

It seems apparent to me that the Veterans' Administration and the Department of Defense are using their existing prerogatives to the fullest extent in carrying out helpful, constructive programs in behalf of veterans. Ten administrative steps adopted during the past year merit our attention:

Servicemen about to return from Vietnam are counseled while still in the combat zone about the rights and privileges available to them.

Hospitalized veterans are counseled at bedside on vocational considerations and rehabilitation programs awaiting them.

Veterans' Administration counseling is being extended to all military separation points in the United States.

In major U.S. cities, one-stop veterans assistance centers are being opened to give service to veterans in all the many areas in which they may need help during readjustment.

Disadvantaged youths who might otherwise not enjoy the privilege of military service are being accepted into the military and schooled so they may gain the advantages of training and the self-confidence that goes with it. The program is being doubled.

Concentrated preparation for return to civilian life is being given during the last few months of military duty to servicemen who have limited civilian skills and limited education. This program, Project Transition, is to be expanded.

Special help in job finding is being given servicemen by the Department of Labor, and monthly progress reports are required.

For veterans who agree to improve their education with GI assistance, civil service competitive examination is waived for the first five levels.

Medical training in the Veterans' Ad-

ministration—now producing 26,000 medical specialists per year—will be expanded during the next 5 years to a rate of 100,000 per year.

Recommendations on the needs of veterans are being developed by an Advisory Commission that has interviewed veteran leaders and rank and file veterans throughout the land.

Additional programs requested by the President are:

Increase servicemen's group life insurance maximum from \$10,000 to \$30,000.

Protect veterans from pension loss due to social security increases.

Up GI loan guaranty from \$7,500 to \$10,000. Permit part-time vocational rehabilitation for injured veterans.

Place three systems of cemeteries under VA.

Express, in a joint resolution, the sense of Congress with regard to a public-private job assistance program for veterans.

Enact a Veterans in Public Service Act that would stimulate the flow of qualified veterans into teaching disadvantaged youth.

I feel sure the Congress and the Committee on Veterans' Affairs will give these proposals their thoughtful consideration.

Mr. HELSTOSKI. Mr. Speaker, President Johnson has suggested a wide variety of proposals to help the returning Vietnam veteran find his niche.

These he has just set forth in his special veterans message to the Congress.

I am with the President in his plan to bring all Federal departments and agencies together in an attempt to help the veteran become a civilian again.

Benefits, of course, are of no real value to a veteran unless they are known and utilized.

The President's plan to open U.S. veterans assistance centers in 20 major cities is a good one in my estimation.

These centers, as I see it, would serve all veterans, but they would be most helpful to those who need opportunities to obtain employment, to help them qualify for better jobs, and thus improve their family's security.

At the centers, the veteran would be acquainted with a wide array of benefits offered by the Veterans' Administration. They also would be assisted in matters such as job counseling and job placement, they would be acquainted with their reemployment rights, with unemployment compensation, civil service preference, the Federal Housing Administration and Small Business Administration loans, and social security.

I think this is an excellent idea—to give personal attention and counsel on all the benefits the law provides the veteran—from housing to health, from education to employment.

I understand the plan is to set up an additional 10 centers after the first 10 have been placed in operation.

Each veteran is different; he has a different problem which he will have to solve, and there is a great possibility each will need some help and advice in doing this.

More than 600,000 veterans reentered civilian life in 1967, and there will be hundreds of thousands more this year.

I think we had better adopt this plan now and give these veterans all the assistance we can at this time—to get them started on a program of earning their living as quickly as possible.

I am in favor of adopting the entire program and putting it into operation as soon as we can, and bringing in State and local agencies and community organizations engaged in helping the veteran. And I am heartily in favor that Congress immediately give attention to all of the President's proposals so that the most meritorious may become law promptly.

As President Johnson said in concluding his special veterans message to the Congress—

It is this nation's responsibility to see to it that the veteran may return to his community as a free, upstanding and self-reliant citizen.

The President spoke those words, more than 20 years ago, on the floor of the House of Representatives. The statement is as applicable today as it was when the President spoke then a score of years ago.

And it seems to me our job today is just about the same as it was 20 years ago. All of us are concerned with the problems the returning serviceman and woman face upon their separation from the Armed Forces.

The President said:

Our objective is to make sure that every serviceman who returns to civilian life today and in the months ahead—no matter where he lives, what background he might have come from, or what his hopes and ambitions are—will have all the education he wants, all the training he needs, and all the opportunities for the job he is best suited for.

We must keep this objective in mind as we make plans and go about the task of making the President's recommendation a reality for the returning veteran.

To aid in bringing this about, I am in agreement with the President that a joint resolution should be enacted expressing the sense of the Congress that private employers should give job priority to our returning servicemen.

Of course, many of our veterans now returning to civilian life have no job experience—they went right into the service upon graduation from high school. For these men education and training will prepare them for reentering society as a civilian, and make it easier for them to obtain employment.

Others who held jobs prior to their military service will return to them without too much difficulty. Their jobs will be waiting for them.

Most veterans, of course, will go into private industry, where six of every seven will find employment.

These young Americans, who have done so much for their country, merit every consideration a private employer can give them.

Particularly now, that men are being called from their civilian pursuits to defend their country—such as the Reserves—we must keep our objective immediately before us, and tell these young men and women exactly what aid and assistance their Government may be expected to provide for them.

So, as President Johnson has said, let

us do whatever may be necessary to see that "the veteran may return to his community as a free, upstanding and self-reliant citizen."

The way to start this essential work is for the Congress to give speedy attention and to take prompt action regarding the President's proposals.

Mr. CELLER. Mr. Speaker, America's concern and respect for her servicemen and veterans is demonstrated by the President, who has seen fit to bring a special message about veterans affairs to this Congress for the second time. The message he presented to us this year offers some new proposals which I find exciting.

The veterans in public service program is of particular interest to me. I see help in some problem areas faced by my constituents in New York as well as by citizens throughout the land. Under this program, known as VIPS, an ex-serviceman will be encouraged to develop and to use his talents in meeting the most urgent needs of rural and urban America today:

To join the ranks of VISTA, to work in the concentrated employment program, or in the Youth Opportunity Centers.

To help man police forces and fire departments in his community.

To work in local hospitals where skills are short.

To teach the children of the poor.

Veterans who train for any of these positions will receive special education benefits in addition to the normal GI benefits. The President has included \$50 million in the fiscal 1969 budget to launch the program. I am convinced that this is a sound investment in the welfare of our people and our Nation.

I am pleased to point out that a U.S. Veterans' Assistance Center will be opened in New York City within the coming month. This means that veterans can receive personal attention and counseling on all the benefits the law provides at a one-stop center. The President has ordered 10 centers to be opened in major cities in February with 10 more to follow in other cities as soon as possible.

I congratulate the President for presenting these forward-looking proposals. I assure him of my support to make, and improve, opportunities for America's veterans.

Mr. EDMONDSON. Mr. Speaker, in the President's message on veterans benefits, several new programs of help for veterans were described and several new legislative steps were proposed.

I want to comment on one of these proposals, because in my mind it is typical of all the rest. It is typical in that it extends to deserving citizens the means for achieving a valuable goal, yet it costs the taxpayer virtually nothing. I refer to the proposed increase in GI home guarantee loans.

Since World War II, GI bill guarantees have backed \$66 billion in loans from the private sector to home-buying veterans.

What this has done for the economy is obvious.

But the real value of the program lies in what it has done for the nearly 7

million veterans who have taken advantage of it. Many of them of modest means and some without the money for a down payment, have experienced the satisfaction of homeownership through this program that they would not have enjoyed otherwise.

The program has cost the American taxpayer nothing because veterans pay their bills. The minimal cost of the small number of defaults has been more than offset by gains in the economy.

Much of the home buying that is being done today in more expensive price brackets has its roots in World War II and Korean GI home loans. Veterans of those eras who bought their first homes with GI loans are now trading up to meet the more expensive requirements of their growing families and improved stations in life.

The Vietnam era veteran deserves no less than an equal chance.

For 18 years, the loan guarantee has remained at \$7,500.

This was adequate in 1950, but in today's housing market, it is not at all adequate. To purchase a home and get the financing protection the law promises him in today's market, the Vietnam veteran needs a loan guarantee of \$10,000.

The President has recommended such an increase as one of several important points of needed veterans legislation.

I want to go on record here as offering my full support for virtually all of the steps recommended in the President's recent message. I have stressed the matter of an increase in GI home-loan guarantee only because, to my mind, this program furnishes a graphic example of how the whole Nation benefits by carrying out its responsibilities to veterans.

As I reflect on the fact that this Nation has 26 million veterans—who often have large families—I feel quite safe in generalizing that what is good for veterans is good for the country.

GENERAL LEAVE TO EXTEND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the President's message on veterans legislation.

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

There was no objection.

AMERICAN PROGRESS IN SPACE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 246)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read:

To the Congress of the United States:

This report details a year—and climaxes a decade—of American progress in space.

On January 31, 1958, a 31-pound Explorer I was fired from a Jupiter C rocket with 150,000 pounds of thrust. Ten years later, on November 9, 1967, a 280,000-pound Apollo payload was launched into

orbit by a Saturn V rocket with 7.5 million pounds of thrust.

In the time spanning those two events, the United States has placed 514 space-crafts in earth orbit. Twenty-eight others have been sent on flights to the moon or distant planets.

The technology amassed through those expeditions has justified this Nation's commitment to conquer the challenge of space. It has encouraged us to lift our eyes beyond our initial goals and plan for the decade ahead.

The fruits of that technology have not been limited to space exploration alone. The knowledge built through our space program has benefited our earthbound lives. It has:

Revolutionized our communications throughout the world;

Given us better weather information and more accurate navigational and geographic data;

Brought improved medical instruments and techniques, advanced education, and added to our store of scientific knowledge;

Spurred the development of more sophisticated aircraft and improved flight safety;

Strengthened both the security of this Nation and our leadership in the search for a peaceful and secure world.

We can look with confidence to an expansion of these benefits as our space program moves into its second decade.

Our accomplishments thus far point to the path of progress ahead: fuller observations of the earth, increasingly productive manned flights, and planetary exploration.

The year 1967 itself began with a major tragedy. Three of our gallant astronauts died in a fire while testing the Apollo capsule on the launching pad. Even as we saluted these men for the contributions they had made, we move to improve the spacecraft as well as the safety procedures surrounding its use.

But though the year was shadowed by that disaster, its accomplishments significantly advanced our progress. The Saturn-Apollo flight in November was the greatest launch triumph to date. As the result of our success in photographing lunar landing sites, we have for the first time a complete mapping of the moon.

It is most heartening to me that our space program moved forward in a spirit of international cooperation, giving new hope that the conquest of space can contribute to the establishment of peace. Eighty-four nations participated in cooperative space activities with us. The Outer Space Treaty went into effect, after Senate approval. The United Nations unanimously recommended a procedure for the emergency rescue and return of astronauts and space equipment. I shall shortly be sending that treaty to the Senate.

It is with pleasure that I transmit this record of achievement to the Members of Congress, whose judgment and support have been essential to our aerospace progress.

LYNDON B. JOHNSON.

THE WHITE HOUSE, January 30, 1968.

The message, together with the accompanying papers, was, without objec-

tion, referred by the Speaker pro tempore (Mr. ALBERT) to the Committee on Science and Astronautics and ordered to be printed with illustrations.

CONSUMER CREDIT PROTECTION ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1043 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1043

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11601) to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency of temporary controls over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 11601, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 5, and it shall then be in order in the House to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H.R. 11601 as passed by the House.

The SPEAKER pro tempore (Mr. ALBERT). The gentleman from Missouri [Mr. BOLLING] is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. LATTA] and, pending that, I yield myself such time as I may consume.

Mr. Speaker, this is an open rule providing for 3 hours of general debate. To the best of my knowledge, there was no opposition to the rule. The bill itself, however, is controversial. There are four supplemental views and at least one minority view. I understand there will be a considerable tussle over one or two amendments, but in the light of the fact that there is no opposition to the rule, I now yield to the gentleman from Colorado [Mr. ROGERS] for a parliamentary inquiry or two.

Mr. ROGERS of Colorado. Mr. Speaker, the rule provides for amendments in the Committee of the Whole. On page 40

of the bill that has been reported, you will note, in section 2 thereof, that it deals with the question of restrictions of garnishment of wages. You will also notice that on lines 13 to 19 the language has been stricken out and beginning at line 20 and the balance of the page and on to page 42, line 17, there is an amendment to be offered by the Committee.

Mr. Speaker, my parliamentary inquiry is this: If the Committee of the Whole House on the State of the Union should adopt the amendment and thereafter when we come back into the House this amendment is rejected by the whole House, does that automatically reinstate lines 13 to 19, page 40, of the bill as reported by the committee?

The SPEAKER pro tempore (Mr. ALBERT). The Chair is prepared to respond to the gentleman's parliamentary inquiry. If the House rejects the amendment striking out the language in the bill and inserting substitute language, the effect of the House rejection would mean that the language which the Committee of the Whole had intended to be stricken would remain in the bill.

Mr. ROGERS of Colorado. I thank the Speaker.

Mr. HALL. Mr. Speaker, would the distinguished gentleman from Missouri yield for a further parliamentary inquiry?

Mr. BOLLING. I shall be delighted to yield to the gentleman from Missouri for that purpose.

Mr. HALL. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. HALL. Mr. Speaker, assuming the same basic assumption as stated by our colleague, the gentleman from Colorado [Mr. ROGERS], would amendments to the committee amendment if accepted in the Committee as a Whole, be subject to a separate vote?

The SPEAKER pro tempore. The answer to the parliamentary inquiry as propounded by the gentleman from Missouri is in the negative. The answer is "No."

Mr. HALL. I thank the Speaker pro tempore.

Mr. BOLLING. Mr. Speaker, I yield to the distinguished gentleman from Texas [Mr. PATMAN] for the purpose of propounding a unanimous-consent request.

PERMISSION TO REVISE AND EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members participating in the discussion during general debate and on all amendments that are discussed while the House is in the Committee of the Whole House on the State of the Union be permitted to revise and extend their remarks and to include therein relevant extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the outset may I say that I agree with the statements just made by the gentleman from Missouri [Mr. BOLLING]. There is absolutely no

opposition to the granting of this rule. As a matter of fact, the Committee on Rules became real liberal and gave this committee an extra hour of debate time. They asked for 2 hours, we gave them 3.

However, Mr. Speaker, let me say that there is some opposition to this bill, particularly with reference to a couple of amendments that will be offered. During the hearings before the Committee on Rules I raised a question with reference to garnishment. We find on page 40, and the following pages, a title dealing with garnishment of wages. The question is, Does the matter of garnishment belong in an interest bill?

Mr. Speaker, most Members of the House will undertake to provide protection from high interest to the individual who goes out and purchases on credit.

However, I doubt whether Members want the Federal Government to enter the garnishment field.

Mr. Speaker, it seems to me that a garnishment title does not belong in this bill. I say this as most of our States—and it is my recollection that this fact was pointed out before the Committee on Rules—with the exception of two or three, have their own garnishment laws which give protection to wage earners through various exemptions.

Mr. Speaker, it seems that this particular provision is just out of place in this bill, that we should not be setting up a section dealing with the garnishment of wages on the Federal level.

Mr. Speaker, I would hope that when we go into the Committee of the Whole House on the State of the Union that this matter will be discussed more fully.

The only reason, Mr. Speaker, that was given to the Committee on Rules for the insertion of this title in this bill was the fact that the number of personal bankruptcies has gone up in recent years.

This is completely and totally unrelated to the question of whether or not the Federal Government should get into the matter of garnishment of wages.

The purposes of this bill are, first, to provide the American consumer with truth-in-lending and truth-in-credit advertising by providing full disclosure of the terms and conditions of finance charges both in credit transactions and in offers to extend credit; second, restricts the garnishment of wages; third, establishes a National Commission on Consumer Finance to study and make recommendations to the Congress and to the President on the functions and structure of the consumer finance industry, as well as consumer credit transactions generally.

Title I of the bill provides for full disclosure of credit charges, rather than regulation of the terms and conditions under which credit may be extended. The committee believes that such full disclosure would aid the consumer in deciding for himself the reasonableness of the credit charges imposed and further permit the consumer to "comparison shop" for credit.

Two exemptions are provided to this requirement. They are, first, revolving, open-ended accounts; and second, installment contract accounts. To distinguish: a revolving, open-ended account

means that more items can be purchased from time to time. At the end of the "free ride period" generally from 30 to 60 days, a service charge is assessed on the account on a monthly basis, usually 1½ percent per month. An installment account is closed-ended, which means that it is for a set length of time, covering a particular purchase, payments generally made monthly in a fixed, certain amount.

The other exemption provision pertains to closed-ended transactions where the finance charges for the year will not exceed \$10. As a practical matter, this would exempt from the bill those consumer credit transactions where the normal annual rate was 18 percent—1½ percent per month—and the amount of credit involved was approximately \$100 or less. The aim of this exemption from the bill is to relieve small merchants from providing annual rate disclosure on small credit transactions where the apparently high rate might discourage consumers.

The committee believes that full disclosure of the terms and conditions of credit charges will encourage a wiser and more judicious use of consumer credit. The committee also believes that the comparable standards of full disclosure of rates on an annual basis should be applied to the advertisement of credit transaction. For the revolving-type account, the full disclosure provisions will require information about the length of the charge-free period, and other conditions of the credit contract including the method used to determine the balance upon which the monthly finance charge will be levied.

Title I would provide consumers with greater knowledge of the full cost of credit to assist many families in a more satisfactory management of their credit.

Finally, title I provides for the promulgating of regulations covering full disclosures and the administration and enforcement of the program. The Board of Governors of the Federal Reserve System is to be the central single agency for issuing all regulations on credit disclosure or on the advertising of credit to insure a single set of overall standards applicable for all forms of consumer credit, while agencies already having expertise in the affected industries will be responsible for the application of such regulations to each of those industries.

Penalties are provided. Any injured consumer can bring a civil action against his creditor who failed to fully disclose credit terms and recover a judgment equal to twice the finance charges, with a minimum penalty of \$100, a maximum of \$1,000. The Attorney General may institute criminal action where there is evidence of willful presentation of false information which is required to be disclosed.

Title II, with respect to the garnishment of wages. The first \$30 per week of earnings may not be garnished by a creditor. Of the earnings above \$30 per week, only 10 percent may be subject to a garnishment. The bill also forbids an employer to fire an employee because of a single garnishment.

Title III provides for the establishment of a bipartisan National Commission on

Consumer Finance, and would be composed of nine members: three members from the Senate appointed by the President of the Senate; three members of the House appointed by the Speaker of the House; and three public members to be appointed by the President of the United States. The Commission is called upon to study the structure and functioning of the consumer finance industry, as well as consumer credit transactions generally, and report its findings, recommendations, and conclusions to the Congress and the President by December 31, 1969.

Mr. Speaker, I yield back the remainder of my time.

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the gentlewoman from Missouri [Mrs. SULLIVAN] may extend her remarks at this point in the RECORD.

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

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, I urge approval of the resolution calling for an open rule on H.R. 11601, the Consumer Credit Protection Act. The Committee on Banking and Currency does not ask for closed rules. We believe our bills should be brought before the House in such manner that the House can work its will on them in a free and democratic manner—hopefully, of course, with a Democratic result, too, if it is a party issue.

This, however, is not a party issue—or should not be one. I am proud to say that the Democratic Party platforms have continuously called for enactment of the kind of legislation contained in this bill, and that a great member of the Democratic Party in the other body, former Senator Paul H. Douglas, of Illinois, pioneered this issue and doggedly pushed for its adoption through many long years of seemingly hopeless effort. We are about to vindicate his vision and foresight and pass this monument to a great Senator's record in Congress.

But the 30-to-1 vote by which the bill was reported from the committee plus the solid support I received from the very beginning from a Republican co-sponsor of this bill in the subcommittee, the gentleman from New York [Mr. HALPERN], demonstrate that both parties have a great stake in working for the consumer. After all, both parties are composed only of full-time consumers who wear other labels only part of the time.

This is not a consumer versus business issue, either. The support from legitimate business for the major provisions of H.R. 11601 has been most heartening and also very effective. Those firms which are engaged in consumer credit have special interests in, or problems arising out of, individual specific provisions of the legislation, but on the whole—and looking back on a very comprehensive hearing record taking up two full volumes—I do not remember any hostile testimony whatsoever on the objectives of the legislation, and only a few letters or telegrams voicing indignation over the whole idea.

I want to take this time on the rule in order to explain briefly what the parlia-

mentary situation will be when the bill is before us. We will be considering the bill as originally introduced on July 20, along with many committee amendments thereto. Each of those amendments will be brought up separately, although several relate to one specific issue and I hope can be considered en bloc.

During the many months this bill has been of top concern to consumers and businessmen, the Members have received numerous letters and telegrams on some of its controversial aspects. Four provisions of the original bill which instigated a sizable volume of mail were put into the bill primarily for the purposes of raising some neglected but important issues which deserved attention in hearing. We did take testimony on them, as I had intended, and then I, as the principal sponsor of the bill and as the chairman of the subcommittee handling it, moved to delete those four highly controversial sections from the bill.

They were:

First, the proposal for standby credit controls in periods of grave national emergency. Our committee recommended such legislation as an amendment to the Defense Production Act extension bill 2 years ago, and we were chided then for putting it into a bill without holding hearings. Well, this time we did hold hearings. We developed an impressive record, I believe, on the lack of economic preparedness legislation in being and ready for a wartime emergency, but we are not now asking the House to vote for such controls. Instead, one of our committee amendments, which I offered in subcommittee and which was unanimously approved, will delete this section from the bill. It is on pages 28, 29, and 30. It will come out unless the House should suddenly decide it wants to join me in writing these standby powers into law against future contingencies. Up to now, however, I have received no indication of that.

Another highly controversial section in the original bill is also on page 28—giving the Federal Reserve Board the authority to set margins on commodity futures trading as it now does on stock market transactions. That, too, is slated to be deleted through a committee amendment. So do not worry about that one. If I may say so, however, I think our hearings on this subject helped to speed action in another committee of the House on a long-pending measure to strengthen the Commodity Exchange Act. In the previous Congress, I think I was the only Member of Congress to testify for such a bill, which got nowhere. This time it has passed the House and also, on January 23, the Senate. I think that just scheduling some hearings in the Banking Committee on commodity futures margins helped to speed action on the long overdue reforms in the Futures Trading Act, particularly since there is nothing in that bill dealing with margins.

The third highly controversial provision in H.R. 11601 as originally introduced is on page 21 and deals with usury—it would set an 18-percent ceiling on interest or finance charges except in

those States which have lower ceilings. That is coming out by committee amendment, too, unless we should see some greater interest in this subject now than we did during the hearings. And fourth is the provision dealing with confession of judgment notes, also on page 21. All four of those items are to come out.

The other committee amendments are divided between minor technical ones and some very, very important substantive ones. The Members will have a chance to vote all of them up or down, or to try to modify them.

Two of them I will strongly oppose, because I consider them completely destructive of the purposes of the bill. They are the revolving credit exemption and the \$10 exemption, both of which I will discuss in detail in my remarks in general debate and also under the 5-minute rule. They are extensively discussed in the committee report and in all of the supplemental views.

The parliamentary situation as I understand it will be this: when those sections are reached in the bill, I will not offer any amendments dealing with them; instead, I will rise in opposition to the committee amendments. So those who plan to help and support me should be on notice: it is not an amendment of mine which they should be supporting, but rather a committee amendment on which I hope they will join me in voting "No."

If we lose on the revolving credit fight in the Committee of the Whole House—and I do not see how we can now, with so many business groups objecting to the discriminatory aspect of the revolving credit exemption won by the department stores—but if we lose in Committee of the Whole, this issue will certainly be made subject to a rollcall. Those Members who would rather not have to choose in a rollcall vote between their department stores on the one hand and the banks, finance houses, independent merchants, and all the consumers on the other hand, can solve their problem just by getting in the "No" line in the teller vote and helping to kill this thing in Committee of the Whole.

The same is true on the \$10 exemption amendment. I will oppose it and try to defeat it. If we defeat it in Committee of the Whole, that will end it. If we do not, then there will be a rollcall on it in the House. This is the "loan shark" amendment. The minority leader has told us he wants to end loan-sharking by authorizing Federal agents to enforce the State usury laws. Well, how will anyone know whether he has been overcharged and complain about it if he cannot find out the rate he is being charged for a small loan? The "loan shark" committee amendment covers up that information—withholds it from the borrower. Vote it down in Committee of the Whole and strike a blow against loan-sharking. Otherwise, as I said, the roll will be called and we can have the chance to kill it out loud.

Except for those two amendments, the bill is a good bill—a strong bill. Anything in it which is going to create any serious problems for any businessman—and I do not know of any—can be ironed out in conference or handled adminis-

tratively through the broad powers given to the Federal Reserve Board to issue regulations after full hearings. But these two items would not be negotiable in conference or in hearings before the Federal Reserve Board on the regulations—the two loophole exemptions adopted in committee. That is because they are already in the Senate bill. Therefore, we must defeat the revolving credit exemption and the \$10 exemption here in the House or they will go into the final version of the bill without any chance to change them. So that is the parliamentary situation as I understand it.

From the mail I have received and the mail I know many of the other Members are receiving, few votes the Members could cast would please more of their constituents than a vote to end the subterfuges and deceptions in the cost of credit, including those pesky service charges from the department stores which are assessed at a rate of 18 percent a year on the unpaid balances. Nothing makes people madder than to check this out and find out how they have been misled on these rates.

Consumers are tired of being the mouse in a game of cat and mouse on credit charges which they do not understand and which they cannot talk to the computer about. If the Members have any doubts on this, they have time between the adoption of the rule today and the votes we are going to have on this bill on revolving credit to get some expert advice from their very best experts on this subject: that is, from their wives. So I say to the Members: ask your wives how much the credit charge is on the department store bill which was not paid on the due date because you were out of town and did not see it. Ask your wives what the percentage rate was. Was it 1½ percent a month? And is that not 18 percent a year? Ask her.

On second thought, do not ask her unless you really intend to vote against the revolving credit amendment, or she will know you did not really want her informed opinion.

Mr. BOLLING. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11601) to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency of temporary controls over credit to pre-

vent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the motion offered by the gentleman from Texas [Mr. PATMAN].

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11601, with Mr. PRICE of Illinois in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. PATMAN] will be recognized for 1½ hours, and the gentleman from New Jersey [Mr. WIDNALL] will be recognized for 1½ hours.

The Chair recognizes the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this is a very important and far-reaching bill, and therefore it naturally is controversial. It concerns itself primarily with disclosure of finance charges including interest. Interest costs, of course, are paid on about \$96 billion of consumer credit for example. Interest payments are made on hundreds of billions of dollars in our economy. Interest charges represent one of the largest considerations in our national budget.

You take, for instance, our Federal budget has a No. 1 charge, cost of preparedness, national security, and war costs. The second item in our national budget is interest costs. It is the second largest item, and where it is so important to the remainder of the budget is because whatever is charged in the way of interest is taken off the top. Interest costs comes first. It has to be paid first.

If there is too much interest charged and the average rate paid for interest is too much, other items in the budget will have to be either reduced or omitted entirely.

You take for instance, it is my belief, and I have demonstrated it here on the floor many times, if we were paying a fair rate of interest on the national debt today, as we did for 14 years—if we were paying just the same rates we paid during that time, we would only be paying \$7 billion a year interest on the national debt. But instead of that, next year we will be paying \$15.2 billion because of the increase in interest rates in recent years.

Something that is more shocking even than that is that when the recent increases are reflected in the national debt by the refunding of bond issues that receive a smaller rate of interest, we will be paying \$21 billion a year in interest on the national debt. That will not be long—that is in the foreseeable future.

So the question of interest enters into our considerations not only in consumer credit, but most important in our na-

tional economy and our various social programs.

There are some people in our country who are against any of these social programs. These people have tried to convince the Congress that we ought to just absolutely eliminate them and not have them at all.

Well, the Congress has not convinced. The Congress went ahead on the social and welfare programs just the same because they are so worthy and deserving and helpful to the economy.

Then some of those people—and not all of them I am sure—took the position that if we could in some way raise interest rates, then the Congress would not have that much money to appropriate for these general welfare and social security bills and legislation for welfare and social purposes. They look with great favor on interest rates going higher because it is taking away money which would have been available for the Congress to use in general welfare and social security programs. They look with great favor on that, doubtless, and particularly in view of the fact that they are the ones who are collecting a large part of this additional money.

Therefore, it was not a difficult matter for them to be for that.

Now when it has reached staggering proportions like that, we must give consideration to it.

Our total public and private debt today—the best estimate that we can get—fortunately does not run into the quadrillions. But it does run into the trillions. The aggregate amounts represent a trillion 500 billion dollars. That means that every time we raise interest rates 1 percent—it means that the American people must pay \$15 billion a year, each year, for that increase in interest rates.

That has a tremendous effect upon our economy. A few years ago—or 2 years ago to be exact—there was an increase of 1 percent in FHA rates. Every person who was buying a home at that time—let us say for \$25,000 over a 30-year term—it meant that that person who was buying that home with that increase of 1 percent, it would cause him to have to pay \$4,600 extra over that period of time in order to take care of just that 1 percent.

Taking into consideration the fact that at that time the median income was \$4,600—in other words, the average family received \$4,600—it meant that the average wage earner was compelled to work a whole year extra just for nothing, just in order to pay that 1-percent increase.

So it runs into real money over a very short period of time. If we had kept our interest costs on the Federal debt at \$7 billion, as we could have—we know we could because we did it before for 14 years—we would have \$8 billion more this year, and the same is true practically of last year, to spend for any other purpose. But we do not have it. This amount is unnecessarily going for interest rates and that is stopping other programs.

We heard and read a great deal about the moneychangers in the time of Christ. I am not directing my remarks at any

particular financial institution or institutions. But the moneychangers in the time of Christ were amateurs. They did not know anything compared to the different methods that are being used now to charge exorbitant and usurious interest rates of the people. We have more devices and ways of extracting money from the consumers of America than we ever had before. They are all ruinous to the consumer. Every time you take a dollar from a consumer for unnecessarily high interest rates, you deprive the economy of a great benefit.

Let me remind you that in 1964 this House and the other body passed a bill, which became a law when the President signed it, declaring that we would reduce excise taxes on the very poor people, that is, on the items that the very poor people were buying and on which they were paying an excise tax, thereby letting the poor people keep the money themselves and spend it as they desired rather than paying it in taxes.

Many of our critics said that it was going to cause a huge deficit in the Treasury. Instead, the people used that money, which amounted to a few billion dollars. They put it into the channels of trade and distribution immediately because they needed goods and services that they had to buy quickly.

That dollar which was spent locally traveled around that little town, six, eight, or 10 times and then it went to some national concern in Chicago, New York, or some other metropolitan center. It traveled all over the country, and at the end of the year that average dollar traveled through 50 different transactions, and in every transaction there resulted a little income tax. For that reason, at the end of the year, we did not have a deficit of billions of dollars as a result of the excise tax reduction, as was predicted, but we had an increase in taxes. For every \$1 billion that we reduced those taxes we collected back \$1.5 billion because of the transactions about which I just told you.

Therefore, whenever you let poor people keep money and spend it as they want to, it helps the entire economy. It travels around. It percolates up. Everyone gets the benefit of it, the very rich as well as the very poor. Every person should have a chance to get the benefit of it.

But if you are going to change our economy, so that instead of that money being circulated among the poor and letting everyone get the benefit of it, if you would pour it in at the top with big interest rates, you will find that it will not trickle down. It will go through just a very few transactions a year. Perhaps it will go into the first big bank or big business, be placed on their books, and it would remain there. There would be no percolating up or trickling down. So you would not get as much benefit. The poor people would not get any benefit from it at all; whereas, when the money is permitted to percolate up, the poor people, as well as the rich, get the benefit. That is the difference. So we must watch these exorbitant rates.

They are detrimental to individuals and to the general welfare of the country. One of the worst things we have to

deal with in our country is exorbitant charges of interest known as loan-sharking. The New York Times has had some wonderful articles about loan-sharking, including one this morning, about the danger of corruption. It is next to gambling in the damage done to our people. It is next to gambling in concentration of large amounts of illegal money that can be used for illegal purposes and for injuring the general welfare in order to enrich a few who have charge of it.

Hoodlums and gambling are siamese twins. They go together. Big interest rates and big gambling are tailor-made for the hoodlums. So when we do something to stop this exorbitant usurious interest, we are doing something against hoodlums and in the interest of the general welfare of the people.

Whenever we permit hoodlums to operate this way, we permit them to use large sums of money for the purpose of corruption and for the purpose of dishonest schemes and methods.

They even get into politics with it occasionally. Now and then they have something that is very hurtful to the people, by getting people involved in politics who have the right and the power to make decisions for or against the people. They want decisions against the people and for the hoodlums.

We have a wonderful country. We should not let either gambling or loan-sharking be a major threat to the safety and security of our country. But they are definitely a major threat now to the security of our Nation. We must stop it.

I cannot conclude without paying tribute to our former colleague, Paul Douglas, who started this fight 8 years ago.

I predict this bill will become law. It is a good bill, and in the end right will prevail. Our system of government is great. If the House passes a bill that is different from the Senate, we select conferees from the House, and the Senate selects conferees from the Senate.

We meet halfway between the two bodies, in a room provided for that purpose. We take up each bill. Where there are differences between the two Houses, we agree on something that will reconcile those differences if we can.

In the end we have a bill that every member of that conference committee approves of. We bring it back to the House and get it adopted. It is sent to the Senate. It is adopted there. It goes straight to the President of the United States. He signs it. It becomes a law.

So any of the bad points in this bill that should be ironed out or reconciled or changed, I feel reasonably certain, under the parliamentary procedures we have, which will be used, will be taken care of, since our procedures are instrumental and helpful in doing that.

I hope that this bill will be enacted into law, and I hope it will be voted by this House in particular by a very strong and substantial majority when it comes before the House for consideration and final vote this week.

Mr. Chairman, I now would like to discuss some of the specific provisions of this milestone legislation.

Mr. Chairman, today, the House of

Representatives opens debate on the Consumer Credit Protection Act, a major plank in the 90th Congress' bill of rights for the American consumer.

This legislation—contrary to the smokescreens spread by its opponents—is simple and clear.

Is the American consumer entitled to know exactly—without any ifs, ands, or buts—what he is paying for credit?

Surely this is a question that the 90th Congress can answer in the affirmative.

Mr. Chairman, the Consumer Credit Protection Act is not a piece of legislation which affects only a handful of people or an isolated sector of our population. It provides protection and the truth about credit for virtually every single American family.

Today, consumers in this country are paying more than \$13 billion annually in interest on nearly \$96 billion worth of consumer debt. Practically every family—except the most wealthy—is paying on a share of that \$96 billion.

So, Mr. Chairman, we are talking about protection for the constituents of every single Member of this House of Representatives.

Before going into the substance of this bill, it seems appropriate to add a few words about the great American who originated and fought for adoption of this kind of legislation.

No discussion of this legislation can properly proceed without an acknowledgment of the debt we all owe to former Senator Paul Douglas for his pioneering fight on behalf of truth in lending. While that fight is not yet won, we recognize that, but for his vision, we might not have the opportunity presented to us today in taking action on this vital legislation.

I believe it is further appropriate at this time to commend for your attention the 2 weeks of intensive hearings on this bill conducted by the Consumer Affairs Subcommittee of your House Banking and Currency Committee. The very design of this legislation and the excellent set of subcommittee hearings were carried out under the able and imaginative leadership of the subcommittee chairman, the gentlelady from Missouri, Congresswoman LEONOR K. SULLIVAN.

The bill that was reported out of the Banking and Currency Committee is a much stronger piece of legislation than was passed in the other body by a 92-to-0 vote. It contains some important features, such as a truth-in-advertising section, an administrative enforcement section, a limitation on the garnishment-of-wages section and the inclusion of credit life insurance as part of the finance charges, that S. 5 did not have.

However, Mr. Chairman, if we are to make this a true bill of rights for the American consumer, we must make sure that we are providing for the full truth on all credit transactions. This means, Mr. Chairman, that we must include the credit charges and interest rates involved in what is generally called revolving credit—the big department store credit.

It also means that we must not provide a loan-shark-type exemption for the smaller credit purchases and loans. In

short, we must not allow an exemption for credit and interest charges under \$10 to slip through in this legislation. Unfortunately, this exemption—or loophole—has been misnamed "The \$10 Exemption." In reality, it covers virtually all purchases and loans up to \$100. The \$10 refers to the credit charges, not the total purchase or loan.

Mr. Chairman, there are still millions of Americans who regard \$100 as a lot of money. Quite obviously, this loophole would hit the low-income and the moderate-income family the hardest. In other words, we would be providing disclosure of the annual rate for the rich and depriving the poor of this same protection.

It would be sad, indeed, if the Congress were to pass the rest of this bill and, at the same time, leave a tremendous loophole in this legislation which adversely affects the poor and low-income family more than any other provision in this bill.

Mr. Chairman, I shall discuss, in detail, other sections of this bill. But at this point I want to emphasize my support for the provision of this bill which prohibits abuses in connection with the garnishment of salaries.

In many areas of the country, the garnishment of salaries to collect debts has virtually destroyed the lives of wage earners and their families. It has meant thousands of personal bankruptcies and job dismissals.

The provisions of this legislation would give the poor—the low-income family—badly needed protection against the obvious abuses in the garnishment of salaries. It would prevent the loss of jobs and the welfare costs which invariably follow such dismissals.

Mr. Chairman, the garnishment provisions of this bill are fair to the creditor and the wage earner alike. It is a humane way to treat a desperately human problem. These provisions are virtually identical with those which are now in practice in the New York State law. They are, I repeat, equitable to all concerned.

Mr. Chairman, now I would like to discuss the major points of H.R. 11601:

TITLE I—TRUTH IN LENDING AND CREDIT ADVERTISING

I do not believe that it is necessary for me to spread upon this record further evidence of the need for this legislation than may be found in the 7 years of hearings conducted in the other body, as well as in the two volumes of hearings of the Consumer Affairs Subcommittee. While the growth of consumer credit since 1945 demonstrates both the health and vigor of our economy, consumer credit has grown at a rate 4½ times greater than the growth rate of our economy. As of September 1967, total consumer credit has soared to almost \$96 billion. At the present time, American consumers are paying approximately \$13 billion a year in interest and service charges for this credit. This is roughly equivalent to the amount of interest paid annually by our National Government as interest on the national debt.

While we all recognize the significance of consumer credit in the growth of our economy, we would all wish to insure the

judicious and intelligent use of such credit. Actions to regulate have been taken only in the case of extreme emergency. We have preferred—and history seems to justify the wisdom of that preference—to permit the marketplace to do the regulating for us. However, regulation by market forces assumes the relative equality of the parties in the market and further assumes equal access to pertinent information by such parties.

Title I of your committee's bill is designed to provide the American consumer with the information he needs to make the marketplace an effective regulator in the conduct of consumer credit transactions. What we seek to accomplish under this title is to assist the consumer in comparison shopping for credit. We seek to apply to all merchants the same criteria for disclosure of the terms and conditions under which finance charges will be imposed on consumer credit transactions. Unfortunately, such uniformity does not exist today. State disclosure requirements where they exist are by no means uniform. Lenders and mail-order houses operate across State lines, frequently not subject to any effective disclosure requirements.

With regard to rate disclosure, some creditors employ an add-on rate which is measured on the original balance of the amount of credit extended, rather than on the declining balance. This add-on rate has the effect of understating the effective rate to the consumer by approximately 50 percent.

Some segments of the credit industry quote rates on a monthly basis, while others quote rates on an annual basis. Although it may seem a simple matter to multiply a monthly rate by 12 in order to provide the annual rate, surveys conducted among consumers indicate that many people are not aware of the true cost of credit when it is expressed on a monthly basis.

Some creditors add a number of additional fees or charges to the basic finance charge. Such fees include credit checks, credit life insurance, and various other service charges. This device permits creditors to quote a relatively low rate, while actually collecting a much higher amount through the imposition of these additional fees and charges. In some cases consumers are quoted no rates at all on credit transactions, leaving it to the consumer himself to compute the rate if he desires to comparison shop for credit.

Significant segments of the population are misled by the manner in which the terms and conditions are offered and contracted for, as well as by the manner in which credit is advertised. Misleading practices engaged in by a minority of unscrupulous merchants and lenders fail to adequately disclose the credit terms offered to buyers in making purchases in obtaining loans. This failure of adequate disclosure tends to increase the uninformed and untimely use of credit by the public, adversely affecting economic stabilization, increasing inflationary pressures, and decreasing the stability and the value of our currency.

In your committee's view, the solution to these problems is to require by legis-

lation that all creditors use the same method of computing and quoting finance charges, including a statement of the annual percentage rate. The disclosure requirements contained in your committee's bill, both with regard to credit transactions and credit advertising, will basically provide the American consumer with the information he needs to compare the cost of credit and to make an intelligent decision on the use of credit.

TWO EXEMPTIONS TO FULL DISCLOSURE

The bill as approved by a majority of the committee, contains two exemptions to annual rate disclosure in connection with consumer credit transactions:

REVOLVING CREDIT

The basic disclosure concept contained in the proposed legislation is to require lenders and merchants to provide consumers with a statement of the "finance charge" imposed by the creditor in connection with the particular consumer credit transaction. In addition to the statement of the finance charge in dollars, the creditor is generally required to state the finance charge as an annual percentage rate; however, a majority of your committee believes, with regard to "open-end credit plans" or "revolving charge accounts" as they are more commonly known, that the statement of an annual percentage rate would not accurately reflect the credit charges actually imposed upon such transactions.

The majority of your committee believes that while the monthly rate applied to a revolving charge account may be 1.5 percent a month, the particular schedule of payments and purchases, combined with the so-called free ride, does not justify the expression of that monthly rate as an annual rate of 18 percent per year. Revolving charge accounts most frequently contain a free ride during which no finance charge is imposed. This period may vary from 30 to 60 days.

A substantial minority of the committee believes, however, that the exemption is premised on confusion of the concepts of "yield" as opposed to "rates." In their view, if the nominal monthly rate applied is 1.5 percent, the nominal annual rate applied must be 18 percent, although the yield to the creditor may be more or less than the nominal annual rate. In their view, the disclosure of the nominal annual rate is, nevertheless, necessary to assist the consumer in "comparison shopping" for credit under a revolving charge account, as opposed to other forms of credit transactions.

The amendment adopted by your committee thus exempts revolving credit from true annual rate disclosure. I know that the gentlelady from Missouri, Congresswoman SULLIVAN, intends to argue against this committee amendment. It is my intention to support her in those efforts in order to eliminate from this legislation a provision which, in my view, discriminates against consumers and small, independent businessmen, and in favor of large chain department stores.

TEN-DOLLAR FINANCE CHARGE EXEMPTION

Another, and perhaps more damaging, exemption adopted by your committee provides a further exemption from annual rate disclosure. This exemption ap-

plies to credit transactions where the amount of the finance charge does not exceed \$10. This amendment would exempt from annual rate disclosure consumer credit transactions where, for example, the nominal annual rate was 18 percent and the amount of the credit involved was approximately \$100 or less. The proponents of this amendment argue that the exemption would relieve merchants and lenders from the burden of providing annual rate disclosure in connection with relatively small and insignificant credit transactions.

The difficulty that I have with this argument is that a \$100 loan or a \$100 credit transaction is neither small nor insignificant for most American consumers. In fact, there are millions of credit transactions a year involving an amount of up to \$100. However, the proponents of the exemption further argue that small accommodation loans and credit transactions are frequently made by creditors where the fixed costs of the loan to the creditor would, if he were required to disclose them in the form of an annual percentage rate, reflect a rate so high as to discourage creditors from engaging in such transactions.

The proponents of this amendment further contend that great injury would befall the consumers who depend upon these transactions were they to be discontinued by the creditors involved. However, the major proponents of this amendment have been the representatives of the banks. Dr. Charles E. Walker, of the American Bankers Association, presented the committee with an example of an accommodation loan where the annual percentage charge was 120 percent.

Mr. Stanley Barber, of the Independent Bankers Association, presented the committee with an example of an accommodation loan where the annual percentage rate was 260 percent. I can readily understand why these banks would be embarrassed to tell their customers that they were charging them this amount.

However, is that really an adequate justification for the Congress of the United States to create a special exemption from full disclosure? Why should those unfortunate consumers seeking such accommodation loans not be informed of the incredibly high rates they pay when making such loans?

Here again, it is my understanding that Congresswoman SULLIVAN will offer an amendment striking this exemption, which I intend to support.

TRUTH IN CREDIT ADVERTISING

The bill reported by your committee applies comparable standards of disclosure to credit advertising. Certain perfecting amendments to credit advertising disclosure have been adopted by the committee which basically improve and simplify the application of disclosure to credit advertising. Basically, the advertising provisions of the bill are premised upon the belief that a substantial portion of consumer purchases are induced by advertising and that if full disclosure is not made with regard to representations in credit advertising, the consumer

will be deprived of the opportunity to effectively comparison shop for credit.

The responsibility for insuring truth in credit advertising is placed upon the creditor and his agents, and not in the media in which the advertising appears. It is our view that this places the responsibility where it belongs.

REGULATIONS AND ADMINISTRATIVE ENFORCEMENT

An important amendment adopted by your committee deals with the issuance of substantive regulations and administrative enforcement. All substantive regulations dealing with disclosure of the terms and conditions of finance charges in credit transactions or in the advertisement of credit are to be issued by the Board of Governors of the Federal Reserve System. This has been done so that a single set of comprehensive regulations will be issued to facilitate uniformity of application among the industries affected by this legislation.

Before finally promulgating its regulations, the Board, of course, will be required to hold full and open hearings giving all interested parties an opportunity to comment. Since administrative enforcement of the subject regulations will be allocated among various Federal agencies having particular responsibilities in connection with the affected industries, the Board must, of course, provide these agencies with ample opportunity to present their views on proposed substantive regulations.

Administrative enforcement provided in your committee's bill will insure uniform, broad, and effective application of the principle of disclosure. Administrative enforcement will not only afford necessary protection to the consumer, but will further protect the honest businessman from unethical forms of competition engaged in by some unscrupulous creditors who prey upon the poor through deceptive credit practices. Effective administrative enforcement will thus protect the honest merchant and insure that he is not penalized in the marketplace when he states the full cost of his credit in dollars and as a percentage rate.

The agencies having responsibility for administrative enforcement with regard to the industries coming within the scope of their activities are the Federal Home Loan Bank Board, the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Civil Aeronautics Board or the Federal Aviation Administration, the Interstate Commerce Commission, and the Department of Agriculture, with the Federal Trade Commission covering the remainder. In this manner agencies already having expertise in the affected industries will be responsible for the application of the law to each of these industries.

CIVIL AND CRIMINAL PENALTIES

While provision is made in the bill for civil and criminal penalties, it is anticipated that the major enforcement activities will be carried out under the administrative enforcement provisions. It should be noted that while credit advertising is covered under certain of the disclosure provisions of the bill, such advertising cannot provide the basis for a

civil suit. This exemption has been written into the bill by your committee to avoid the possibility that anyone seeing an advertisement not complying with disclosure requirements would attempt to seek civil penalties.

EFFECTIVE DATE

In order to insure adequate time for the promulgation of sound regulations, your committee's bill provides that the legislation shall become effective 9 months after enactment.

Since some concern has been expressed with regard to the effect of the legislation on State law, it is perhaps advisable to briefly reiterate what is clearly set forth in the committee's report on this matter.

First, there is no intention to preempt State consumer credit legislation unless the State law is inconsistent with the Federal law, and then only to the extent of such inconsistency. Second—and of equal, if not greater importance—is the fact that the annual percentage rate required to be disclosed under the bill is not an interest rate and is in no way to be construed as interest rate within the meaning of various State usury laws. The definition of the term "finance charge" which provides the basis for the computation of the annual percentage rate clearly evidences this fact. The finance charge is the aggregate of various charges imposed by the creditor and can under no circumstances be deemed comparable to an interest rate under State usury laws.

TITLE II—RESTRICTION OF GARNISHMENT

The basic statement of congressional policy upon which the restriction of the garnishment of wages is based is found in title II, section 201 of the committee's bill. It provides:

Sec. 201. The Congress finds that garnishment of wages is frequently an essential element in predatory extensions of credit and that the resulting disruption of employment, production, and consumption constitutes a substantial burden upon interstate commerce.

As originally introduced, the bill provided for a complete prohibition against the garnishment of wages. However, your committee had adopted an amendment which merely restricts such garnishment to 10 percent of an employee's earnings above \$30 a week, while prohibiting an employer from discharging an employee by virtue of a single garnishment of wages. The committee adopted this amendment because they believe that a total prohibition of garnishment would unduly restrict honest and ethical creditors while permitting those fully capable of paying just debts possibly to escape such responsibilities.

Furthermore, your committee exempts from the restriction on garnishment debts due to a court order arising essentially out of domestic relations cases, that is, for example, child support or alimony, and debts arising out of failure to pay State or Federal taxes.

Evidence received by your committee clearly establishes the connection between the rocketing increases in personal bankruptcies and harsh garnishment laws. Since 1950, personal bankruptcies in this country have risen by over 1,000

percent—from 18,000 in 1950 to 208,000 for the fiscal year ending June 30, 1967. Well over \$1 billion in consumer debts were canceled by virtue of these personal bankruptcies in 1967 alone.

There are those who contend that if we restrict the garnishment of wages, there will be a sharp cutback in consumer credit. However, available evidence demonstrates that this argument is false. States—such as my own State of Texas, Pennsylvania, Florida, and New York—have either abolished the use of garnishment or have laws similar to the one proposed here by your committee. The levels of consumer credit in those States are as high, if not higher, than they are in States having the harshest of garnishment laws.

Endorsement of the limitation on the garnishment of wages has been received both from industry and from the trade union movement. Major steel corporations, such as United States Steel, Republic Steel, and Inland Steel, have written to the committee supporting a restriction on the garnishment of wages. Their view was concurred in in testimony received by your committee from I. W. Abel, president of the United Steelworkers of America, and Pat Greathouse, vice president of United Automobile Workers of America, speaking both on behalf of the UAW and the Industrial Union Department of the AFL-CIO.

The limitation on the garnishment of wages recommended by your committee, while permitting the continued orderly payment of consumer debts, will relieve countless honest debtors from going bankrupt in order to preserve their jobs or retain sufficient income to decently support themselves and their families.

TITLE III—COMMISSION ON CONSUMER FINANCE

Finally, your committee's bill calls for the establishment of a bipartisan National Commission on Consumer Finance, which will study the structure and functioning of the consumer finance industry, as well as consumer credit transactions generally, reporting back to the Congress and the President on its findings and recommendations.

As we have previously indicated, consumer credit is a rapidly growing and very vital factor in our domestic economy. We must understand more about it in order to legislate intelligently in this area. The proposed Commission should provide us with much of the basic facts we will need in order to fulfill our responsibilities in the years ahead.

H.R. 11601, the Consumer Credit Protection Act, is a landmark piece of legislation. It is an expression of the concern of Congress for the welfare of the people, for the protection of the poor and unsophisticated. It will protect consumers and insure equality of opportunity in the marketplace for businessmen seeking to meet the credit needs of our people.

While, as I have expressed to the House, I do not believe the bill is perfect in all respects, though I sincerely hope that we will be able to perfect it in the course of this debate, I urge its adoption by the House.

Mr. Chairman, I include several arti-

cles and one editorial which are pertinent to my discussion and this bill:

[From the New York Times Magazine, Jan. 28, 1968]

IF YOU ARE WILLING TO PUT UP YOUR BODY FOR COLLATERAL—JUST CALL "THE DOCTOR" FOR A LOAN

(By Fred J. Cook)

They call him "the Doctor." You will meet him, if such is your misfortune, in the swankiest nightclubs, his curvaceous young bride dangling on his arm. "Meet my friend, the Doctor," the maître d' will say, performing the introductions. "The Doctor" is always most charming. A man in his fifties, he dresses like the owner of a million-dollar wardrobe. It is hard to imagine that he is in reality a hybrid—a species of spider-vulture who spins a web in which to enmesh his victim so he can pick clean the bones.

Though names cannot be used in this portrait, the Doctor (a nickname for unknown derivation) is no figment of the imagination. He exists. He is, authorities say, one of the largest and most vicious loan sharks operating in New York, just a step down the ladder from Carlo Gambino, probably the most powerful of the reigning chieftains of the city's five Mafia families. Detectives who get up with the Doctor in the morning and follow him through his daily routine until they put him to bed at night know the pattern of his days by heart—and are completely frustrated because he operates the safest and most remunerative racket in the underworld.

He has no visible means of support, but he has put up his new bride in an expensively furnished mansion in one of the finer residential sections of the city. He never "works," as other humans know the term, but when he has been stopped and questioned by police, he has never had less than \$7,000 in sweet cash upon his person—and sometimes he has had as much as \$15,000. "You can never charge him with vagrancy," one prosecutor says, with a sour smile. Unlike a master bookie, he has no fixed headquarters, no elaborate telephone setup, no army of runners. He simply circulates. And in the best and most expensive places. And among the "best" people.

The far reach of such an operator was brought home to New Yorkers recently when former Water Commissioner James L. Marcus was indicted on charges of participating in a \$40,000 kickback scheme on a city contract. According to investigators, Marcus was in deep financial trouble on several fronts, not the least of which was a reported \$50,000 loan-shark debt to Mafia mobster Antonio (Tony Ducks) Corallo. Corallo was arrested with Marcus as his alleged partner in the kickback scheme. Later, two men were charged with taking part in a plot to murder a Government witness in the Marcus case. The episode, as reported, is similar to innumerable less publicized events in at least two ways: (1) The shark's victim was an intelligent, experienced person—professional people and substantial businessmen are the loan shark's favorite targets; (2) the victim found that when he was over a barrel with a loan shark, he was over a barrel with the Mafia—and that is being over a nasty barrel indeed.

The popular conception of the loan shark as a two-bit hoodlum lending \$5 on Monday and collecting \$6 the next—the typical "six for five" operative—is an anachronism bearing virtually no relation to current reality. As Sgt. Ralph Salerno, the now-retired racket expert of the city's Bureau of Criminal Investigation (B.C.I.), told the New York State Commission of Investigation in its loan shark probe three years ago: "No self-respecting loan shark . . . would ever want to admit even to his best friend, that he has loaned less than \$100."

At the same hearings, then Assistant Dis-

trict Attorney Frank Rogers, of New York County, testified: "A loan shark that we know lent a million dollars in the morning and a million dollars in the afternoon." Loan-sharking is so remunerative, he said, that one mob boss had pyramidized \$500,000 into \$7.5-million in about five years—and there were, in New York County alone, "at least 10 men who are comparable to him."

The conclusion of all the expert witnesses was that loan-sharking is, on a national scale, a multi-billion-dollar resource of the underworld and that, while its gross take is less than gambling, it is preferred to gambling because it is so safe it almost defies prosecution.

This safety factor (which breaks down only when the shark is caught using violence to enforce collection or committing some other overt crime, as is charged in the Marcus case) is probably the reason that top mob bosses have been more openly connected with loan-sharking than with more risky enterprises, such as gambling and narcotics. Vito Genovese, the onetime boss of bosses, now in Federal prison, had nakedly obvious ties to loan-sharking, and the same is true of one of his principal deputies, Thomas (Tommy Ryan) Eboli. B.C.I. Deputy Inspector Arthur C. Grubert testified before the Commission of Investigation that his bureau had identified 121 master sharks in the five Mafia families of New York. He broke the figure down this way: 51 in the Genovese family; 37 in the Gambino family; 18 in the Profaci family of Brooklyn, now run by Joseph Colombo; 12 in the Luchese family; three in the family of Joseph (Joe Bananas) Bonanno.

Grubert made it clear that he was talking about only the two top echelons of the loan-sharking pyramid. There are, all investigators agree, four operating levels. On the top level is the family boss. Just under him are his trusted principal lieutenants. The lieutenants have their own subordinates to whom they funnel money for investment, and these third-echelon underlings, besides lending out much of it themselves, split up the rest of the money and pass it down to the fourth and lowest level, the working bookie and street-corner hoodlum. Sergeant Salerno gave a graphic description of the way it all works. He said:

"A big racket boss could have a Christmas party in his home, to which he invites 10 trusted lieutenants. He doesn't have to write their names down. He knows their names. They are friends of his. . . . He can take one million dollars, which is not an inconceivable amount of cash, and distribute that, \$100,000 per man to these 10 men. All he has to tell them is, 'I want 1 per cent a week. I don't care what you get for it. But I want 1 per cent a week.'

"He does not have to record their names. He does not have to record the amount. They are easy enough to remember. And if you stop to think that, 365 days later, at the next year's Christmas party, the only problem this gang leader has is where he is going to find five more men to hand out half a million dollars that he earned in the last year on the same terms. . . ."

This usurious interest (the gang's chieftain's 1 percent a week becomes 52 per cent a year) is known in the trade as vigorish—or "the vig." (There is a theory that the term derives from the word "vicarage" and refers to the contributions given the vicar by his parishioners.) Naturally, the rate goes up as the money is filtered through the various echelons, and each takes its cut. On the second level, where the principal lieutenants dwell, the vigorish may amount to 1.5 or 2 per cent a week, and on the lowest operating level, where most ordinary loans are made, it will be 5 per cent a week—260 per cent a year. And the underworld, ruthless and insatiable, has a whole arsenal of neat devices by which even this horrendous figure can be hiked.

The Doctor is one of those top-level lieutenants who would be invited to the big chief's Christmas party. Only in his case, he would probably not be given a piddling \$100,000 to put to work, but something more like a million. "He is a big, big money mover," says one detective. "They trust him. He has hundreds of thousands of dollars working at any one time."

Rarely, if ever, does the Doctor participate in the direct lending of his hoard of cash. He works through his subalterns, parcelling out his share of the underworld treasury among as many as 30 underlings on the third echelon of the pyramid; they make the actual loans and collections and, in turn, put some of the money to work through street-corner bookies and hoods. Under such circumstances, life for the Doctor becomes one unvarying round of seemingly innocent social contacts.

Since he is a late-nite man-about-town, the Doctor hardly ever rises much before noon. He may then have a late brunch with his bride, daughter of a Mafia chieftain, and then he will get into his Cadillac and begin his rounds. His first stop is almost invariably at the home of his former, divorced wife with whom he apparently maintains amicable relations. Detectives theorize that the former wife's home is probably a contact point at which he picks up messages or cash that may have been left for him. After a short stay here, the Doctor drives on to a small business office that he maintains as an ostensibly legitimate front. Detectives have been unable to discern any real business being conducted here, and they deduce that the office serves as another contact point.

After the office stop, the Doctor's routine may vary slightly, depending upon the day of the week. Monday is especially busy in the loan-shark racket. It is the day when new loans are being laid out, when collections are made, when the misdeeds of defaulters must be weighed and penalties assessed. The Doctor regularly visits his favorite Italian social club, where he sits around chatting with old cronies; but it is noticeable that, on this one day of the week, his stay is always more protracted and his talk longer and more earnest.

After the business at the club has been transacted, it's off to the plusher bistros of Manhattan, where the Doctor circulates, much like the lord of the manor, with maître d's bowing and scraping and bartenders bobbing their heads in welcome and subservience. They all know they had better. Many are so deeply in hock to the Doctor themselves that they will probably never again be able to call themselves free men, and in some instances the pit has been dug so deep that the Doctor is in fact the secret owner of the business. A favorite rendezvous in the past, a plush restaurant just off Park Avenue in the midtown section, was forced to close eventually because his silent partnership became too loud and the State Liquor Authority revoked the liquor license.

"You can watch all this activity, and it's most frustrating," says a detective who has camped on the Doctor's trail. "He goes into a place, has a drink, chats with the bartender who is a 'steerer' of his [sending along loan customers]. Perhaps he picks up a message or some cash that has been left. How can you tell? It's all very casual, very hard to detect. Perhaps he wanders off to the men's room, and, just by chance, one of his lieutenants follows, and a word is dropped or money changes hands. There is little you can do about it."

It all adds up to a pretty gay way of life for the Doctor.

"He's a real swinger," a detective says, "and he's very vain. He goes to a health club regularly for exercise. And he's always been young-chick-crazy. Until he married his young wife, you'd see him almost every night

with a different babe, all stacked. Now he makes the rounds with her."

The doctor has one other noticeable trait. He is famous for his nasty temper. "He has a very short fuse," the detective says, "and he'll get into a fight at the drop of a hat. This generates fear, it's failing that is really very valuable to him in his business. All he has to do is to show up at a restaurant where some guy owes him money, and the guy begins to quake."

There is one other angle to the Doctor's business, and this, too, is highly remunerative. Underworld informants picture him as the secret proprietor of floating crap games. A free spender who likes to gamble is put in touch by a steerer; a fancy limousine picks him up at his apartment or hotel and whisks him away to the spot selected for the evening's pleasure. The game, being an underworld enterprise, is apt to be rigged to the eyeteeth; but even if it is not, the law of averages can generally be counted upon to leave the eager roller with a flat wallet. Then comes the *pièce de résistance*. The fever is still upon the sucker; having lost all, he wants to gamble more "to get even." And would you believe it? There at his elbow, just waiting to be of service, is one of the Doctor's sharks. Need another \$500, buddy? Gladly, gladly, says the shark, turning it over.

The shark, of course, knows his customer; he's already checked his credit rating; he knows he can't lose. If the gambler's luck changes, he pays back the shark on the spot—\$600 for the \$500 he has just borrowed. If, as is more likely, he blows the extra \$500, too, he must pay up \$600 within 24 hours. "This is one of the neatest rackets going," a detective says, "They aren't interested in the profits of the game so much as they are in the loan-sharking at the game. That's where the real money is. It's easy to run \$10,000 into \$15,000 in a single night loan-sharking."

Inevitably, with a business as intricate as the Doctor's, it becomes necessary, as it is not in a more streamlined operation, to keep some detailed records. It is fairly simple for the family boss who has parceled out \$1-million in chunks of \$100,000 to each of 10 principal lieutenants to keep his accounts in his head; but when you split up hundreds of thousands of dollars into hundreds of chunks, the transactions become too complicated. Even an agile brain cannot retain the details without the help of a written record. Authorities have been successful in obtaining one such account sheet of the Doctor's. It contains a long column of figures that look as if they were taken from a bank's daily ledger. Scanning the column at random, one notices amounts ranging from \$13,000 to \$43,000, each representing a loan. Some of the loans are identified only by nickname or initial; others have names spelled out beside them—including names of subsidiary Mafia figures to whom the Doctor apparently had funneled some of his money.

"We're sure this sheet represents loan-sharking business," the prosecutor who has it says, "but when we questioned the Doctor about it, his alibi was that this was just an ancient record, representing transactions from years and years ago when he was in the bookmaking business."

Even when authorities get an indubitably current record, it is extremely difficult to make much sense, still less a legal case, out of the mysterious chicken scratches. One investigative unit recently came into possession of a red-covered loose-leaf pocket notebook containing the record of transactions of a bookie-shark on the lowest level of the Doctor's ring. The flyleaf carries an unexplained notation: \$15,000.

"This apparently was the money entrusted to him to lend out," a detective says.

The \$15,000 item is followed by these other unexplained entries: \$7,300, \$3,900, \$700. Out

at the side of the page, the last sum is broken down into three other amounts: \$250, \$350, \$100—apparently representing three smaller loans that made up the \$700.

Who got the money? There is no way of telling.

"The guy who had this book carried it in his head," the detective says. "He knows who got the \$7,300, who got the \$3,900; he doesn't have to put down names."

Some of the inside pages of the notebook do contain more information. In transactions involving week-by-week payments over periods of several months, the shark had to keep a careful record. But even here the entries tell little. These are designations like "Brother," "Billy," "Fred." Just who they are is anybody's guess. One of these accountings shows that \$500 was lent to be paid back at a rate of \$50 a week for 12 weeks—a mere \$600 for \$500. Regular payments were made, except for one week. However, the borrower paid \$100 the next week, was never delinquent again and the account was marked closed at the end of the 12 weeks.

Not all borrowers were so lucky. One account in this book deals with a loan that started out at \$11,600. The borrower—whose name appeared beside the figures—made regular payments at the start, but then the burden obviously became too heavy. His payments lapsed for weeks. Penalties were assessed. These and the accumulations of . . . vigorish boosted the indebtedness, despite what had been paid, to \$16,898. There the account ends—permanently. The man who borrowed but could not pay was found murdered in a city alleyway, and investigators trying to solve the case are operating on the theory that he paid with his life for having had the bad judgment to cost the syndicate money.

Such gory episodes point up a fact of life: the borrower is always at the mercy of the shark, and the shark, backed by all the awesome, terroristic power of the Mafia, is utterly ruthless. Coupled with his ruthlessness is a devilish cunning that is always devising new ways of getting people in his power—and then driving them right through a wall.

Take the case of the prosperous bar owner who tried to do his daily good deed, found himself caught in the middle and was almost devoured by a shark. The bar owner had a good, free-spending customer whom he had known for quite some time. One day the customer confided that he was in a financial bind and needed to borrow some fancy cash. So the bar owner, trying to do a favor for a patron, passed him on to his favorite loan shark. The customer and the shark made their deal, and for a time everybody was happy. But then the customer, evidently unable to pay, skipped the city—and the sharp ivories of the loan shark closed on the bar owner who was informed he was responsible for and had to make good the loan.

"If you introduce someone to a loan shark," says one investigator, "you make yourself responsible for the payments. If the friend you've recommended takes off for Florida or Samoa, leaving the debt unpaid, they come to you to collect. It is just like co-signing a note in legitimate business. This is one way many bartenders and bar owners find themselves suddenly in deep, deep trouble."

The trouble gets just as deep as the loan shark in his generosity chooses to make it, for the shark makes up the rules of the game as he goes along, and the other player, the borrower, hasn't a thing in the world to say about it. If a borrower defaults for a couple of weeks or a month, the shark can assess any penalty that comes into his usurious mind—and the borrower has to pay or flee the country or risk being dumped in some dank gutter.

Frank Rogers, in his testimony before the Commission of Investigation, cited a case that began with a \$6,000 loan to a business-

man. The borrower made three payments, then missed two. For this heinous offense, the loan shark decided that the \$6,000 would now be converted into \$12,000, with the accompanying double vigorish. When the hapless borrower could not begin to pay this suddenly doubled load, the shark upped the principal to \$17,000, then \$25,000. "Just by simple mandate from the loan shark," Rogers testified, "you are in an irreversible situation. He says, 'This is the loan,' and that is it."

Once a victim has been driven completely through the wall by such devices, the shark sometimes grins his suddenly friendly smile and says, "O.K., I'm now your partner. I own half your business."

This doesn't mean he's really forgiving anything; he's simply stopped piling it on. But he still expects his vigorish on the old loan—and half his new "partner's" profits besides. The situation then rapidly deteriorates to the point of utter hopelessness, which is what the shark wants. Then he may say magnanimously, "Look, we will swap even. We will forget the loan, you forget the business. It is now all mine." The entire process, Rogers said, sometimes takes less than six months.

Such takeovers, Rogers told the investigation commission, run the gamut "from nightclubs to optical stores to brick companies." And, as testimony before the commission showed, to Wall Street brokerage houses and banks.

The loan shark, then, is the indispensable "money-mover" of the underworld. He takes "black" money tainted by its derivation from the gambling or narcotics rackets and turns it "white" by funneling it into channels of legitimate trade. In so doing, he exacts usurious interest that doubles the black-white money in no time; and, by his special decrees, by his imposition of impossible penalties, he greases the way for the underworld takeover of entire businesses. Perhaps the best single illustration of how it all works was put on the record by the Commission of Investigation in its probe of the First National Service and Discount Corporation.

This was an underworld loan-sharking operation that was actually incorporated as an ostensibly legitimate business. It had a suit of offices at 475 Fifth Avenue, and its front man was an operator known as Julio Gazia, alias Julie Peters. He described himself frankly as "a Shylock, a five-percenter." Some of the largest names in the underworld and its affiliated loan-sharking ventures weave in and out of the story of First National.

The original loan of \$21,600 was supplied by Thomas (Tommy Ryan) Eboli, strong man of the Vito Genovese syndicate, and by Charles (Ruby) Stein. Stein, with his partner, Nicholas (Jiggs) Forlano, is known as one of the largest loan sharks in the city, with direct ties to the highest echelons of the Mafia. When additional money was needed for loans, it was obtained from Mike Genovese, brother of Vito, and Joseph (Joe Ross) De Nigris, known as a reliable "old soldier" of the Genovese family and a close aide of Eboli. Money from these underworld sources was lent to Julio Gazia and First National at 1.5 and 2 per cent a week—and was put out by Gazia at a minimum of 5 per cent a week. With money turned over and over from paid-up loans, First National lent approximately \$400,000 in 25 months and reaped a gross profit of at least \$150,000, probably much more.

Borrowers testified before the commission that they lived in abject terror of what would happen to them or their families if they did not pay. The wife of one borrower, subjected to a blitz campaign of threatening and obscene telephone calls, collapsed and had to be hospitalized. The others had good reason for their fear, the commission reported, for Gazia employed two hoodlum-enforcers—An-

thony Scala, who liked to be known as "the leg breaker," and Anthony (Junior) De Franco.

An attorney who had become a partner of Gazia in the First National caper gave the commission an inside view of some of the goings-on. On one occasion, Gazia lent \$22,000 to the proprietor of an optical company, who agreed to pay \$1,100 a week "vig" on the loan. Later another \$6,500 was lent. This raised the "vig" to \$1,425 a week, and the optical company executive found eventually that he simply couldn't pay it. Though he had paid Gazia and First National \$25,000 in interest, he still owed the entire principal of the loans, \$28,500—and the \$1,425-a-week "vig" went on and on, endlessly. He tried frantically to borrow from friends and failed.

At this point, the underworld called a "sit-down"—a meeting presided over by an underworld baron of acknowledged stature. Presiding as a justice in a kangaroo court, the underworld chieftain hears the evidence and decrees what shall be done—what lump sum the loan and accumulated vigorish can be settled for (this is never less than three or four times the original principal) or, in lieu of that, what retribution shall be exacted from the defaulter. In the case of the optical company owner, Eboli himself presided at the sit-down, held in a Greenwich Village restaurant, and he decreed that an aide, Dominick Ferraro, should take over the optical company and go to West Virginia to operate its plant there. In the course of a few months, the new "management" looted the concern of every dime in the till and drove it into bankruptcy.

Why do supposedly sensible men get themselves into such binds? The optical firm owner who lost all gave the commission a succinct answer: "I needed the money."

It is a refrain that is heard again and again. Certain kinds of businesses are especially vulnerable. In the garment business, an uncertain and cyclical industry, the owner of a dress factory often finds himself caught in a sudden squeeze; either money is tight or he does not have the kind of credit he needs at a bank—so he goes to a loan shark. Many a tavern owner begins business after spending years as a cook or bartender. He does not have much capital. By the time he has rented and furnished his place, he is running short of funds with which to lay in the costly supply of varied liquors that he needs to woo a well-paying clientele—so he goes to the loan shark. In the construction industry, capital can be tied up in long-term projects; when the crush for cash for a new venture becomes acute, a sum like \$1-million may be needed the day after tomorrow—and so the construction company executive, too, goes to the loan shark.

There are an infinite number of entrapment techniques. Take a typical case. The steerer at a bar introduced the resident loan shark to the son of a wealthy businessman. The son had junior executive status in his father's business, was a bit of a playboy and was drawn by the shark's sinister character and reputation. It did something for his ego just to be seen in the company of such an eminent Prince of Darkness.

The shark and Junior began to bet together. It started on the \$10 level. Then Junior wanted to move up to the \$100 class, but he didn't have that kind of money. Kindly Shark, slapping him on the back, reassured him: "O.K., old buddy, don't worry about a thing. I'll back you." The betting grew apace. Soon Junior was gambling \$1,000 a clip with the bookie to whom Kindly Shark had introduced him.

Before he met K.S., Junior had been betting \$10 a week on Saturday football games. That was his speed. Within 90 days after meeting K.S., Junior was betting \$4,000 each Saturday. The inevitable happened quickly. Came a series of disastrous weekends when all Junior's teams could do was lose—and he had, of course, no money with which to pay

the thousands he owed. Now Kindly Shark's teeth showed. It was no longer: "Don't worry about a thing, old buddy." It was: "Pay up, old buddy—and damn quick." In desperation, Junior embezzled a large sum of money from his father's firm with which to square himself with the underworld.

Worldly-wise individuals are also caught in this trap and forced into paths of crookedness. Sergeant Salerno told the investigation commission of the case of a "nationally known broadcaster, a sports broadcaster, who became involved with the Shylocks. This man was party to a sit-down, and the conversation that took place at that sit-down—you would think that this man was a chattel, a piece of baggage; they were going to buy or sell him"

Two loan sharks among his creditors, Sergeant Salerno said, bought up all his indebtedness for "a very low percentage on the dollar." Then they used his services to recoup their investment. "He ended up steering affluent people, who knew his reputation, knew who he was, to a crooked dice game in order to earn a percentage of what they would be fleeced of, to be applied against his indebtedness."

Such is the unsavory picture. What can be done about it?

There must certainly be increased public understanding of the problem. Prosecuting officials have shouted themselves hoarse in the past, but the public still seems to think of the loan shark as an accommodating fellow who is offering a valuable service. The Commission of Investigation was told of one contractor who borrowed \$1-million from a second-echelon loan shark for a construction project. The contractor began to list for the loan shark all the collateral he could put up to guarantee the loan.

The shark wasn't interested. "Your body is your collateral," he told the contractor, and with these words, for the first time, the contractor understood the kind of a deal he was entering.

The public must be made to understand, officials say, that when a man borrows from a loan shark, his body is, indeed, his collateral. There is a lien on his life. "Anyone who borrows from a loan shark is leaving himself open to strong-arm methods," one prosecutor said. "People should borrow only from legitimate sources; otherwise, they are borrowing, not just money, but a sackful of trouble."

Public understanding and cooperation—is needed to make the laws work. Before the State Commission of Investigation's probe in 1964-65, there was no legal limit on the amount of interest that might be charged a corporation and no limit on what could be charged an individual on loans over \$800. The loan shark was not only safe, he was legal—as long as he did not beat up someone to enforce collection or become directly involved in some form of embezzlement.

As a result of the investigation commission's exposure of the loan-sharking racket, new and more stringent laws were passed. Now it is illegal to charge a corporation an annual interest of more than 25 percent, and it is illegal to charge an individual, no matter what the size of the loan, more than 6 percent. But prosecution is still difficult: it takes a witness to make a case, and the witness who is willing to testify against a loan shark, with the terrifying shadow of the Mafia looming behind him, is a rare species and exceedingly difficult to find.

It sometimes happens, but all too seldom, that a victim is driven to such a degree of desperation that he flees into the arms of the law. One such rarity occurred in late November, 1967, when Berthold Kahn, of Spring Valley, N.Y., became so hopelessly entangled with loan sharks and their vigorish that he could see no way out. Threatened, in fear of his life, he sought out the Federal Bureau of Investigation in New York.

F.B.I. agents listened to his story, but they

had no jurisdiction. Since the loan sharks involved came from Brooklyn, the agents suggested to Kahn that he see District Attorney Aaron E. Koota, of Kings County. Koota and his assistant, Irving P. Seidman, in charge of the Rackets Bureau, have been waging a long and vigorous campaign against loan sharks and the underworld's infiltration into legitimate businesses. But, like other investigative agencies, they have had their problems in getting essential witnesses.

Kahn arrived at Koota's office virtually quaking with fear about 4:30 P.M. on Friday, Nov. 24. He wanted to telephone his wife, he said; and, when he did, what she told him only increased his terror. In his absence, she had received a telephone call from some tough-talking characters. They informed her that her husband had not kept an appointment he had made with them, and they declared they were going to come out to his house that night to teach him a lesson.

This incautious announcement of intent was all the authorities needed. Seidman got in touch with New York State Police, and Brooklyn detectives and State Police staked themselves out in Kahn's home. They waited until 3:30 A.M. when, true to their promise, three hoods came pounding on the door, shouting to Kahn to open up and asking him if he wanted his arms and legs broken. Having heard all they needed, the detectives moved in and arrested the trio on extortion charges.

With the arrest, Kahn and his family breathed a huge sigh of relief. They had cleared at least the first, terrifying hurdle, but it will be many days and weeks before they feel entirely safe. They can never be certain that some of the arrested hoods' friends won't come calling—though actually, authorities say, this rarely happens after an arrest has been made. Once the law has interested itself in a particular case, the loan sharks tend to stay away. After all, why risk bothering with a man on whom the police are probably keeping a protective eye? Why risk the danger of an assault rap or even a murder rap, when you can go out tomorrow and keep turning over 5 per cent a week—260 per cent a year? The loan shark does not readily give up his vigorish, but he is, after all, a businessman, and there are occasions when it is better to take the smaller loss in pursuit of the greater profit. That greater profit will not be threatened unless there are many, many more cases like the one in Spring Valley.

"This case just goes to show what can be done, how law enforcement authorities are prepared to cooperate and act any time we can get the help of the public," District Attorney Koota says. "But we have to have that cooperation. It is the only way we can ever stop this racket. If we had that, we could put these racketeers out of business tomorrow; and if we don't get it, this will continue and get worse."

[From the New York Times, Jan. 29, 1968]
FEW LOAN SHARKS ARE HOOKED BY THE NEW LAWS—PROSECUTORS SAY IT IS HARD TO OBTAIN CONVICTIONS—RACKET REPORTED SPREADING—MAFIA ROLE CHARGED

Law enforcement officials said yesterday that they were virtually helpless to deal with the spreading problem of loan-sharking despite recently enacted stricter laws designed to stamp out the racket.

Alfred J. Scotti, chief assistant district attorney of New York County, said there were fewer than a dozen loan-sharking prosecutions a year in Manhattan, one of the racket's most fruitful feeding grounds.

In Brooklyn, another section of the city where loan sharks operate actively, there are relatively few arrests for the crime, according to Elliott Golden, that borough's chief assistant district attorney.

The two officials, and other law enforcement authorities who supported them, made

their observations in interviews after the Joint Legislative Committee on Crime focused new attention on loan-sharking last week at a hearing at which Michael Metzger, a New York County assistant district attorney, called it the "principal vehicle by which the underworld may infiltrate otherwise legitimate areas."

LINKED TO MARCUS CASE

Loan-sharking, authorities have said, is an element in the charges against James L. Marcus, the former city Water Commissioner, who is accused of accepting part of a \$40,000 kickback on an \$835,000 reservoir cleaning contract. These authorities have said that Mr. Marcus was forced into the kickback scheme after he fell into debt to loan sharks.

The problem faced by law enforcement officials in combating the loan shark racket is not that they do not know who the loan sharks are.

"We are quite familiar with the identities of those involved," Mr. Scotti said with a faint smile.

Not is the problem the law itself, which investigators and prosecutors agree is now adequate to deal with the challenge of usury, the statutory name for loan-sharking. The law, passed in 1965 after an inquiry into loan-sharking by the State Commission of Investigation, made it illegal to charge more than 25 percent interest a year on loans.

The problem, the law enforcement experts said, is to collect evidence of loan-sharking that will stand up in court and win convictions. At the present time, the officials said, this is virtually impossible.

Loan-sharking seldom comes to the attention of the police, as most other crimes do. This is because loan-sharking involves a transaction in which two adults—the lender and the borrower—participate willingly, unlike a robbery, a rape or an assault in which the victim is an unwilling participant.

In this respect, loan-sharking is somewhat similar to the sale and purchase of narcotics. And like the narcotics trade, neither party to a loan-sharking transaction wants anyone else to know it has taken place.

As a result, Mr. Scotti explained, "people who borrow from loan sharks rarely come forward on their own."

The key to the control of loan-sharking, according to most investigators and prosecutors, is the wide ruse of wiretap and other eavesdropping devices.

"Court-ordered eavesdropping should be made available to law enforcement officials," Mr. Scotti said. "This is indispensable. It is imperative."

"If we had that, we could get them," Mr. Scotti, a small, animated, white-haired man said, snapping his fingers, "like that."

Mr. Scotti ranks loan-sharking second only to gambling as the prime source of underworld revenue, and he said the racket, which exacts interest rates up to 700 per cent and in which the Mafia is estimated to get at least \$30,000 a year on every \$10,000 it lends is growing.

"It is becoming an increasing outlet for unlawfully acquired money," he said.

Law enforcement authorities have detected not only a growing level of loan-sharking activity but also some significant changes in its character.

Years ago, they noted, loan sharks preyed primarily on poor people unable to borrow from banks or other legitimate lending organizations because of a lack of collateral.

Loan-sharking then, the officials said, was strictly a financial operation backed by terror. Money was loaned, usually at the traditional six-for-five rate (paying back \$6 for a \$5 loan). If it were not repaid promptly, the delinquent borrower was threatened, beaten or even killed to provide an example to other borrowers.

Such strongarm tactics are still common. In Brooklyn recently, a delinquent borrower was stripped of his clothing, taken out in a

boat and threatened with being thrown overboard unless he agreed to pay the money he owed the loan sharks.

But new tactics have been added to the loan shark's repertory of terror, the law enforcement officials said.

ALTERNATIVES TO PAYMENT

Today, one official said, the loan sharks and their Mafia bosses adopt the position that if a man cannot repay his loan promptly, "what use can we get from him?"

Instead of beating the victim or threatening his family, the loan shark's strongarm men persuade him to help them. If the victim is in the meat business, for example, they force him to buy a load of stolen or tainted meat. If he is in the trucking business, they make him agree to point out a shipment of valuable goods for easy hijacking.

"Once he's in that far," said one assistant district attorney, "he's in for good. He does their bidding. It's a kind of financial blackmail that results in a moral slavery."

The result is that a man who had no intention of becoming a criminal when he borrowed a few hundred or a few thousand dollars from a loan shark begins an irreversible plunge into a series of criminal activities dictated by his loan-shark masters, the official said.

"I think," he commented, "this can happen to a public official. It can happen to anyone."

[From the New York Times, Jan. 30, 1968]

TRUTH IN LENDING

As the House of Representatives takes up the long-stalemated truth-in-lending bill, the need for a strong, comprehensive law is heightened by the steady growth in the volume of consumer credit. Buyers and borrowers must have the protection of a law requiring full disclosure of the true cost of obtaining credit. These safeguards are particularly necessary for the least educated and the poorest, who can ill afford mistakes in managing their money.

The bill as it comes to the House floor would be improved if the members strike out two amendments adopted in the Banking Committee. The first would exempt retail stores and mail-order houses from telling their customers the interest rate on an annual basis for so-called revolving charge accounts. An interest charge of 1.5 per cent a month on the unpaid balance sounds rather low. Yet, on an annual basis, this is 18 per cent.

Equally objectionable is an exemption in the bill providing that credit terms do not have to be detailed if the interest charge is less than \$10 per transaction. As a practical matter, such a provision would exempt most loans and purchases of less than \$100. This is exactly the size of transaction in which persons with the smallest incomes need protection.

On the plus side, an amendment successfully offered in committee by Representative Halpern, Republican of New York, strengthens the bill by restricting the garnishment of wages. The first \$30 of a worker's wages would be exempt from attachment by a private creditor, and no attachment could exceed 10 per cent of his remaining wages. No one would be harmed by such a modest restraint except those dubious merchants who prey upon the poor by selling shoddy merchandise on "easy" credit.

The CHAIRMAN. The time yielded by the gentleman from Texas has expired.

Mr. WIDNALL. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I rise in support of H.R. 11601, the Consumer Credit Protection Act of 1968. Without equivocation, I think the Committee on Banking and Currency can be proud of the bill it has reported. The vote in committee to report the bill with committee amendments was

30 to 1, indicating the wide bipartisan support for a measure of this kind.

I think it is also worth noting that this legislation is truly the product of congressional initiative—the kind of initiative that has been sadly lacking for many years here on Capitol Hill. This measure originated here in the Congress many years ago and did not receive what we would call strong executive branch support until fairly recently. This is as it should be because the House of Representatives and the Senate are closest to the people and no major domestic issue is closer to the people than various facets of what is called "consumer protection."

A truth-in-lending bill passed the Senate last year by a 92-to-0 vote, and many observers thought at the time that the House would merely rubberstamp the measure sent to us to enable another dramatic bill-signing ceremony at the White House. This was not the case because the House Committee on Banking and Currency took a fresh look at this area of consumer credit protection and reported a bill infinitely stronger than that which passed the Senate. I think a great deal of credit for this should go to the chairman of the Subcommittee on Consumer Affairs, the gentlewoman from Missouri, Congresswoman SULLIVAN, and the ranking minority member of that subcommittee, the gentlewoman from New Jersey, Congresswoman FLORENCE DWYER. The bill as reported would, to summarize:

First. Safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit;

Second. Restrict the garnishment of wages to prohibit attachment of more than 10 percent of a worker's wages, after exempting \$30 a week from his earnings, and forbid an employer from firing a garnished worker for his first garnishment;

Third. Provide for truth-in-credit advertising by requiring rate disclosure, as well as all credit terms whenever a reference is made to any credit requirement in an advertisement;

Fourth. Require sellers and lenders, whenever credit life insurance is mandatory, to disclose the cost of such insurance along with other information regarding total finance charges;

Fifth. Require mortgage lenders to disclose annual rates and total finance charges including closing costs in transactions involving both first and second mortgage credit. S. 5, the Senate bill, exempted first mortgages but included second mortgage credit;

Sixth. Provide that creditors must furnish a written estimate of the approximate annual percentage of the finance charge on open end credit plans whenever a customer requests it orally or in writing, and specifies a repayment schedule and other essential credit terms as may be prescribed by regulations; and

Seventh. Require disclosure of payments and credits not deducted during a billing period before a finance charge is added.

Mr. Chairman, I think it is unfortunate that this bill comes to the floor with

certain among us pointing to what they call loopholes in the bill. I am referring to the manner in which the committee decided to treat revolving or open end credit. Let me say this: There are a few features of this bill which I disagree with also such as the creation of a Commission on Consumer Finance, but I certainly have resisted any temptation to smear the entire bill for the fact of exciting interest in those one or two portions of the bill with which I disagree. I think it should be apparent to all that the President of the United States in his state of the Union message is satisfied with the truth-in-lending bill as it passed the Senate when he urged the House to complete action on the truth-in-lending bill which had already passed the Senate. It is fair to conclude that he would undoubtedly be that much more happy with the stronger bill reported from our committee.

I would also like to take this opportunity early in the debate to clear the air of certain misconceptions that special interests have created. Many Members of the House have received mail from small loan companies, furniture dealers, and banks, claiming that they want House passage of a truth-in-lending bill treating everybody alike. I think it is only fair to point out that these three groups have opposed for many years any truth-in-lending legislation whatsoever. At this late date, they have changed their positions and are pleading with us to treat all retail credit alike. On the issue of revolving or open end credit, a majority of the Committee on Banking and Currency saw good reason to make a clear distinction between short-term revolving credit and long-term revolving credit. We made a distinction with regard to disclosure because there is a clear and definite distinction. Ninety-two Members of the Senate and a majority of our committee realized that there was no way accurately to predict or to compute in advance the annual percentage of carrying charges on short-term revolving or open end credit. In her original bill, the gentlewoman from Missouri recognized this when she required disclosure in advance of dollars and cents finance charges on bank loans and installment credit but not on open end credit. If one cannot accurately predict in advance the dollars and cents finance charges on open end credit, how can one predict the annual percentage rate of those same charges? The answer is that you cannot. On the other hand, on those forms of open end credit and installment debt which carry repayment terms exceeding 18 or 19 months, figures prove that one can fairly accurately predict in advance the annual percentage finance charges.

Banks, furniture dealers, and small loan companies ask us to treat all retail credit alike in that if they have to disclose their finance charges on an annual basis they feel that everyone else should be similarly obliged. There is nothing in this bill as reported from the committee which prevents banks, finance companies, small loan companies, or furniture dealers from shortening their terms of repayment and thereby avoiding the need to disclose an annual percentage

rate on finance charges. This bill does not attempt to regulate the forms of retail credit available to the American consumer. There is no question in my mind, however, that an indirect result of this legislation will be to encourage shorter term retail credit. Bank credit cards are free to reduce their terms of repayment from 30 months to 19 months, thereby coming in under the definition of open end credit where a periodic or monthly rate can be disclosed. Most, if not all, bank credit cards encourage longer repayment terms because the longer the repayment terms the higher the credit costs to the credit card holders and the higher the return to the banks. Moreover, when the banks say treat us all alike one should remember that there is nothing in the bill as reported or in the original Sullivan bill which would require disclosure of bank discounts to retail establishments which use bank credit cards. If everybody is treated alike, because of the discount mechanism, Congress would be giving a substantial competitive advantage to the rapidly growing bank credit card operations.

With regard to the pleas of furniture dealers to treat us all alike neither the committee bill nor the original Sullivan bill ever treated furniture dealers and open-end credit plans alike. Most retail furniture dealers employ straight installment contract terms for credit in connection with the purchase of furniture. The carrying charges on installment credit can be accurately computed in advance both as to dollars and cents and as to annual percentage rate. There has never been any argument over this either in the Senate or in our committee. Many furniture dealers, however, charge considerably higher annual carrying charge rates than do large department stores. Their terms of repayment quite often are 36 months and as we all know, the longer the period of repayment the higher the total carrying charges are to the customer. Moreover, when the furniture industry asks us to treat all retail credit alike by requiring annual rate disclosure across the board, they are doing so with their tongue in their cheek because they know that for the House to take this action would be to give them a built-in competitive advantage over open end or revolving credit. The reason for this is simple. With regard to installment credit, the only disclosure requirements in this bill would be at the time the customer signs a contract. Thereafter, on his monthly bills there would be absolutely no disclosure whatsoever. On open end credit, on the other hand, not only are there eight separate items of disclosure on the original agreement or contract, but the bill would require substantial and extensive disclosure on each and every monthly bill the customer receives. Now I think most reasonable men would agree that the average shopper purchasing furniture does not bother to read the fine print on a three- or four-page installment contract. Once the signature is on the dotted line, the customer would never again be reminded of the annual carrying charges he is paying. If we treat all retail credit alike, as the furniture dealers ask us to do, I assume the furniture people in this country would be only too glad to have

the same disclosure requirements on monthly bills apply to them as will apply to open end credit. I point this out because it is my considered judgment that the bill as reported takes special care and applies special standards to open end credit as opposed to other forms of retail credit such as installment credit.

Furthermore, we should keep in mind that the open end credit that has caused so much debate constitutes approximately 3 percent of the total consumer credit outstanding in the United States today. If the House treats all retail credit alike, it can be safely predicted the following will occur:

First. Most department stores will switch to either long-term revolving credit or straight installment credit with much longer terms of repayment and much higher cost to the American consumer.

Second. Because a requirement to annualize carrying charge rates would exaggerate and overestimate the rates actually being paid, department stores would make certain that their carrying charges equaled the rates Federal law forced them to disclose and this would add tens of millions of dollars to the cost of retail credit.

I want to briefly emphasize the role that the minority played in this legislation. When the Subcommittee on Consumer Affairs was hopelessly deadlocked for many weeks, it was the ranking minority member, Congresswoman DWYER, who suggested a compromise to high officials of the administration in an effort to break the deadlock and get a bill to the floor. This compromise package is essentially what the House is considering today. There can be little question that the two major areas of improvement of this bill over that which passed the Senate last year is the addition of disclosure requirements on credit advertising and the section dealing with administrative enforcement. Recently, the New York Times carried a story referring to the first year's experience under the Massachusetts truth-in-lending bill. That experience indicated that most consumers did not even know there was a truth-in-lending bill on the books and that the legislation had little if any concrete effect on buying habits. There was one major exception. The disclosure requirements in Massachusetts over credit advertising have had a significant effect in rooting out those advertisers who traditionally practice misleading and deceptive credit advertising. I am of the opinion that the bill before us will also have the same result in that the section dealing with credit advertising will eliminate from the scene those merchants who generate sales by misleading and deceptive credit advertising.

Finally, Mr. Chairman, I think the situation confronting the House today is very similar to the situation we faced late last year on the meat inspection bill. The Committee on Agriculture tried to do an honest job in bringing out a measure which was equitable yet sufficiently strong to deal with the subject of meat inspection standards. I want to call to the attention of the Members of the House to a front-page story in this

week's National Observer entitled "U.S. Inspectors Fudged Facts To Pass Meat Law." It is a startling and frightening story of what can happen to the deliberative process of the Federal legislature when fraudulent charges are made in an effort to stampede the Congress into quick and shortsighted action. This seems to be a popular pastime these days in connection with consumer protection legislation and to a great extent we are witnessing a repetition of this tactic in connection with the bill before us today. Fortunately, the press and the public itself has seen through these charges in that most fair-minded people have recognized that there are good arguments on both sides of these issues.

While the minority will have certain important amendments to offer at a latter time, I wholeheartedly endorse H.R. 11601 as reported.

I urge the House to overwhelmingly pass this measure.

Mr. PATMAN. Mr. Chairman, I yield 18 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Chairman, I want to first say how extremely helpful the chairman of our full committee, the Honorable WRIGHT PATMAN, has been throughout the many months that this bill has been before our committee. He gave me solid support and great encouragement, too. No one could have given better cooperation. He has been fighting for this kind of legislation in Congress for nearly 40 years.

NO LONGER A LOST CAUSE

Mr. Chairman, as the principal sponsor of H.R. 11601 and as chairman of the Subcommittee on Consumer Affairs, which conducted extensive hearings on the legislation, I am proud to have my name associated with the many features of a bill which should give to consumers greater confidence in the honesty and competitiveness of the credit industry, and greater self-assurance in their use of credit. If enacted without crippling amendments, such as the two committee amendments which drive gaping loopholes into the bill's effectiveness, this measure will stand as the most important consumer bill passed by Congress in years.

Yet of all of the lost causes for which Members of Congress have battled and persevered with seemingly no chance of success, this legislation now before the House—H.R. 11601, which contains truth-in-lending provisions as part of its title I—represents what was for most of the past 8 years, one of the most forlorn of hopeless legislative causes. Soon, I trust, this long battle will end in victory for the American consumer—and, I might add, for legitimate American business, too.

It is no longer a question of whether truth in lending will pass Congress and become law. The question instead is: What form will the legislation finally take? Will we give the consumer the whole truth in lending, or just a part of the truth? The decisions made in the House this week will go far toward answering that question, if you give us a good strong bill to take to conference.

The Senate last July 11 passed a

truth-in-lending bill, S. 5, by a unanimous rollcall vote of 92 to 0. As the vote itself would indicate, it was not a very strong bill and had only limited application. Its draftsmanship was excellent and the technical work on it outstanding, but the bill itself represented more compromise than content.

OMISSIONS FROM SENATE BILL

For instance—

It did not apply to first mortgages, which represent the largest category of all consumer credit and the largest credit transaction the average family ever makes.

It did not apply to the advertising of credit terms, where the full truth is now seldom found and where half truths and outright lies have abounded.

It provided no administrative machinery for enforcement—any consumer who felt aggrieved would have had to institute his own legal action to obtain redress.

It exempted the extremely fast-growing and highly profitable forced tie-in sale of credit life insurance from inclusion in the finance rate the seller or lender must reveal to the buyer.

It ignored the issue of garnishment, which is the main factor behind the worst types of credit abuses among the poor and uneducated.

And, in those credit transactions in which it did apply, S. 5 contained two extremely serious permanent loopholes dealing with revolving credit and with transactions up to \$110, and one very technical temporary provision which, until January 1, 1972, would have compounded the confusion among consumers in trying to learn about the rates of credit charges by using a strange term, "dollars per hundred per year on the average unpaid balance" instead of the percentage rate.

The greatest significance about the passage by the Senate of S. 5 last July was not the content of the bill. Rather, Senate passage of truth-in-lending legislation flashed a signal to Congress and to the country that former Senator Paul H. Douglas' long crusade could now, finally, be achieved; that is, that under the leadership of Committee Chairman JOHN J. SPARKMAN, and Subcommittee Chairman WILLIAM PROXIMIRE, the Banking Committee in the other body would no longer veto congressional action on truth in lending, as it had done from 1960 through 1966. This was a signal my subcommittee had awaited ever since the Consumer Affairs Subcommittee was established in 1963, and we immediately got busy on this legislation.

STRONG HOUSE BILL INTRODUCED AND THEN STRENGTHENED FURTHER

Nine days after the Senate passed S. 5, a bipartisan group of five members of my subcommittee joined me in introducing H.R. 11601, which took all of the good features of S. 5 and incorporated them into a much broader, comprehensive bill to provide real protection to the American consumer in his use of credit. It was the strongest consumer credit bill ever introduced in the Congress.

And now, I might add, we are bringing that same bill before the House with most—not all, but most—of its strong

consumer protections still in the legislation. Many of those provisions were changed in subcommittee or in the full committee to conform to the information we developed in 2 solid weeks of morning and afternoon hearings, but most of the basic disclosure sections of H.R. 11601, as originally introduced, are still in the bill and, in some instances have even been strengthened.

Thus, we included first mortgages along with other types of consumer credit, because the status of a mortgage as a first mortgage does not necessarily insure that it is a good and fair one. The legitimate mortgage finance industry will have no problems in complying with this provision, but the gyp outfits will suffer long overdue exposure of their unconscionable rates.

We included the advertising of credit—that is, if you purport to give the prospective customer specific provisions of your credit terms in your advertisement, it had better be the full truth.

Unlike S. 5, the truth-in-lending provisions of H.R. 11601 are not "self-enforcing"; instead we provided necessary administrative enforcement by appropriate Government agencies—the same agencies which now have regulatory jurisdiction over the businesses which would be covered by the disclosure requirements of this bill.

We also brought the ever-expanding credit life insurance tie-in sale into the coverage of the rate disclosure requirements of the bill, if a credit firm insists you must take out credit life insurance with them as part of the transaction. If this insurance is optional, however, they merely have to list the cost in dollars and cents.

Instead of prohibiting garnishment, as proposed originally in H.R. 11601, we severely restricted the predatory use of this legal weapon by sellers or lenders whose only investigation into the credit eligibility of a customer is usually to find out whether he is employed and garnishable, without regard to his ability to pay the debt. The testimony we received in our hearings on title II of the bill, relating to garnishment, was overwhelmingly convincing of the need for legislation, particularly the testimony we received from four outstanding U.S. district court bankruptcy referees.

And we proposed the establishment of a National Commission on Consumer Finance, composed of three House Members, three Senators, and three public members, to make a thorough investigation into the entire consumer credit industry to see how well it is functioning in meeting the needs of the American people and what changes and improvements are needed to raise the effectiveness and also the standards of this vital and growing industry. From a long-range standpoint, this may well be one of the most important provisions of the bill.

COMMITTEE AMENDMENTS DRIVE TWO GLARING LOOPOLES INTO THE BILL

We defeated in committee an attempt to substitute the Senate's euphemism of "dollars per hundred per year on the average unpaid balance" for the required annual percentage rate on credit transactions for the period of the first 3 years

or so after the law takes effect. The figures, I am told, would come out exactly alike—that is, 12 percent would be translated into "\$12 per hundred per year on the average unpaid balance." The Members have received some inquiries on this technical point from bankers in their districts. I assure them that the language we have in the bill and in the report makes abundantly clear that the annual percentage rate we require under H.R. 11601 is not an "interest" rate as defined in State usury laws. Therefore, I feel that the substitute term of dollars per hundred would only confuse consumers and serve no useful purpose. If there is any valid basis for the concern, however, we can certainly iron it out in conference.

We have thus ended up with a bill which suffers from only two serious deficiencies in protecting the consumer. Those two deficiencies were inserted as House committee amendments. Since they were lifted almost verbatim from the Senate bill, it is urgent, therefore, that we defeat those two committee amendments before passing the bill in the House. Otherwise, we will not be able to take those two issues to conference. The Senate committee may have had good and sufficient reasons to place those two loopholes in the bill, as a way of ending a 7-year stalemate within that committee on any legislation at all. But we have no good reason for including them in the bill we pass—no reason other than to weaken the legislation. If the House will give its conferees an effective bill to take to conference, we will do our best to fight it through.

THE REVOLVING CREDIT EXEMPTION

One of those two loophole amendments is the one on open end or, as it is now popularly known, revolving credit. This is the amendment of the big department stores and catalog houses. The Nation's largest retailers have rapidly been converting their traditional 30-day charge accounts into an important source of further income through service fees customarily set at a rate of 18 percent a year. Few customers know, or stop to figure out, that the modest service charge of 1½ percent a month on their unpaid balance is at a rate of 18 percent a year. And the department stores which run this kind of credit program are determined to keep the customer from finding out. Up until yesterday, there seemed to be a solid front among all of the major retail chains on this issue—those which grant revolving credit—but Montgomery Ward, Spiegel's, and Sears Roebuck have now taken another look. I shall discuss that later.

If this were a battle between business on one hand and the consumer on the other, I might not be nearly as optimistic as I am about our ability to defeat this committee revolving credit amendment on the floor. But a strange and wonderful thing has been happening in support of the consumer's right to know all of the facts about his credit costs.

Most of the banks in this country, and furniture stores, and appliance dealers, and hardware stores, and music stores, and radio-TV dealers, are united behind the sponsors of this bill who opposed this department store amendment. For it

would provide the department stores with a tremendous competitive advantage over most other merchants and most of the lending industry. Under the bill as amended in committee, and under the Senate bill, too, the furniture store selling a set of furniture at the same price and on similar credit terms as the department store, but financing it through installment rather than open-end credit, would have to give the annual rate of its credit charge while a department store qualifying for the revolving credit exemption would merely give a monthly rate only. If the two stores charged the same rate, the furniture store would have to say its rate was 18 percent a year while the department credit clerk was pleasantly assuring the customer the rate in that store is only a low 1½ percent a month.

If you do not think this would make a big difference to the average customer, Mr. Chairman, read what the furniture dealers told us in our hearings. They have tested this out among customers at random. To the average customer—to most customers—a rate of 18 percent a year sounds fantastically high while the very same rate expressed as 1½ percent a month sounds low, reasonable, and just dandy.

Is this Committee going to discriminate so flagrantly between different types of stores selling the same merchandise? Are we going to take the side of the biggest retailers against the smaller independents—and against the banks and all consumers, too? I cannot believe that the Committee will vote to do so.

This proposal will come before us as a committee amendment. If defeated in Committee of the Whole House on the State of the Union, as I trust it will be under the 5-minute rule, that will take care of this loophole, and we will be able to fight it out with the Senate conferees. But if the amendment carries in Committee of the Whole, we will then have a rollcall vote on it. The issue in that vote will be as clear cut as any vote can be: the public, the local banks, and most independent business on one hand versus one classification of retailers—the department stores—on the other.

THE LOAN SHARK EXEMPTION

The other loophole amendment also presents a sharp and clear-cut issue: it is the loan shark amendment under which anyone extending consumer credit of up to \$100 or \$110 would be able to hide the rate he is charging for that credit, just so long as the dollar cost of the credit charge is \$10 or less.

The minority leader told us last week he is terribly concerned about loan sharking and wants to put an anti-loan-shark amendment into the bill. The place to start in doing that is to take out of the bill the committee loan-shark amendment already in it which keeps the borrower from having any idea what rate he is being charged on a loan of \$100 or so, or on a credit purchase of that amount. A \$100 loan for one week at \$10 interest is 520 percent. The committee amendment exempting such transactions from rate disclosure would defeat the purpose of this bill.

It is not a "small business" amendment, such as the Senate apparently thought it was passing. It is clear that some of the Members of the other body thought it exempted only those credit transactions costing 10 or less—not \$10 credit charges on transactions up to \$110. By the time we took this up in the House committee, we had no such misunderstanding about it. Its purpose to to hide the comparative cost of credit on the usual small loan. How are people supposed to know they are being overcharged if they do not know the percentage rate?

Mr. Chairman, we must, as I said, remove these two special interest anti-consumer committee amendments from the bill. We will have full opportunity to do so either in Committee of the Whole House or on a rollcall vote.

If we succeed in that objective, as I hope we will, we will take to conference a bill which this House and its conferees can proudly defend as a real truth-in-lending measure. And we will earn the gratitude of every consumer, and of those businessmen—the great majority of businessmen in this country—who believe in the integrity and surging vitality of an economic system in which competition can be based on honest quality, price, and service, rather than on customer uncertainty, confusion, and deception.

The credit industry should be particularly grateful. Out of the operations of this legislation should come needed help to the decent elements in this vital industry in overcoming unfair and dishonest competition from an unscrupulous minority engaging in practices which too often discredit credit and dishonor its ethics.

RESPONSIBLE MAJORITY OF CREDIT INDUSTRY RECOGNIZES NEED FOR LEGISLATION

Despite past misgivings of some leaders of the credit industry over the possible interference of truth-in-lending legislation with customary methods of doing business, that industry, on the whole, has been helpful to my subcommittee and to the full Committee in the development of technical aspects of this legislation. No industry wants regulation for the sake of regulation; but this industry, like all responsible industries beset by fringe operators who give a bad name to an essential service, has demonstrated a willingness to accept a significant number of long overdue reforms which can be accomplished only through legislation.

This bill would strengthen the overwhelming majority of those in the credit industry seeking to improve services to the public, not cheat the consumer.

The legislation should also encourage more consumers to use credit with care and responsibility, as it becomes more generally recognized that the "renting" of money, to use Calvin Coolidge's homespun description, or the deferred payment of purchases, cannot be cheap at a time when interest rates are the highest in generations.

Without the vast resources of the credit industry and the many new techniques it has developed for financing the purchase of goods and services, our record-

breaking gross national product would quickly evaporate into a fraction of its present size. Homebuilding would stagnate, automobile sales plummet, the vast array of appliances and devices for improved living and recreation now within the reach of the average family, would be reserved to the very wealthy.

But too many Americans have found "easy credit" far easier in terms of availability than in their ability to repay. The personal and family tragedies caused by overextension of credit are reflected in the alarming rising flood of personal bankruptcies.

This bill, by itself, will not curb the excessive appetite of credit addicts for luxuries they cannot afford. But, by spotlighting the true costs of various forms of credit, and limiting the ability of predatory credit outfits to use the process of garnishment as a bargain-priced substitute for reasonable investigation of the financial responsibility of potential customers, irresponsible practices in the use of credit can be sharply reduced. Of course, this assumes that the legislation as finally enacted will require full disclosure of consumer credit costs under uniform standards, and will retain restrictions on garnishment.

DELETIONS FROM H.R. 11601

Four controversial provisions of the bill, as originally introduced, were deleted from the measure in subcommittee, on my motion, after hearing demonstrated a lack of adequate support for them from both administration and consumer witnesses, and reflected uniform opposition from business.

These provisions were inserted in the bill originally for the very purposes they did serve; that is, for an airing of issues in the field of credit utilization, which have been neglected, but which nevertheless deserve public attention. I am convinced that these proposals, as included originally in the bill or in some other form, will eventually become law. Our hearings succeeded in stimulating some significant interest in them, even if not enough to achieve passage. But these hearings should speed the day when they will receive greater legislative attention. However, the proposals referred to were not regarded by me, or by any of the cosponsors of H.R. 11601, as attainable in this legislation at this time.

1. A FEDERAL USURY CEILING

One was the proposal for a Federal ceiling on the percentage rate of credit charges. This idea was suggested by Chairman WRIGHT PATMAN, foe of unconscionable interest rates. The arbitrary figure used in H.R. 11601 for discussion purposes was 18 percent. Such a limit would probably close down most of the small loan firms in the country, which charge fees ranging far higher than 18 percent, up to legal ceilings in some States of 42 percent, and even higher rates in States which do not regulate such charges. The purpose of the 18-percent figure was not to close down legitimate businesses, but to educate us all to the realities of credit's high costs, with the hope that a viable and fair ceiling might be devised and eventually enacted. Let us hope that the States can take care of

this problem by proceeding to revise and reform their generally outmoded or ineffectual laws on maximum rates.

2. STANDBY CREDIT CONTROLS FOR NATIONAL EMERGENCIES

The second proposal deleted in subcommittee called for the creation of machinery for standby controls over consumer credit, to be used only in periods of grave national emergency. When such a law was recommended to the House in 1966 by our committee, as an amendment to the Defense Production Act—where it belongs—it was defeated on two grounds: first, that we were not in a national emergency; and second, that no hearings had been conducted on the proposal. It is my view that the authority for standby credit controls, which would be needed instantly in a war situation, should be enacted not when we are engaged in a battle for our national survival—when calm appraisal by the Congress of the details of such legislation would be impossible to achieve—but before an emergency requiring them even begins to appear over the distant horizon. Like some of our other defense weapons we hope we never have to use, economic defenses for emergency situations should be enacted and placed on the shelf—ready to use instantly if disaster should strike.

Our hearings developed no great clamor for these standby economic defense powers—quite the contrary. But they also brought out clearly the lack of effective machinery in our existing laws for confronting a possible extreme danger to our economic survival from the sudden inflationary impact of a great national emergency. I felt that the immediate objectives of placing this provision in H.R. 11601 were served in the hearings, and therefore moved to delete this section from the bill.

3. MARGINS ON COMMODITY FUTURES

The third controversial proposal dropped in subcommittee from H.R. 11601 dealt with the regulation of margins on commodity futures trading. This is a vastly neglected issue involving the use of small downpayments, or "earnest money" on futures contracts worth many thousands of dollars, traded in by professionals and numerous amateurs betting on a rise or fall in the prices of dozens of different basic commodities—not just agricultural commodities, but also many essential defense materials. Excessive speculation at very low margins can and does influence the prices of such commodities, causing wide and destabilizing swings in these prices during any periods of market dislocation, yet no Federal agency has a word to say about the margins which are set by the various privately run exchanges.

The stock market was—disastrously—free of margin regulation prior to the enactment of the Securities and Exchanges Act of 1934, giving margin control powers to the Federal Reserve Board; all of the futures markets, however, are still exempt from any Federal margin regulation. This issue remains to be solved. The hearings on H.R. 11601 contributed to public awareness of the problem, but not enough so to bring about legislation at this time. Thus, I moved to remove this provision also from the bill.

4. "CONFESSION OF JUDGMENT" NOTES

The fourth deletion from H.R. 11601 dealt with a proposed ban on "confession of judgment" notes. These are instruments of financial self-incrimination which are imposed by some segments of the credit industry, usually on trusting but naive consumers who innocently sign away their legal rights as a required, but not understood formality, of a credit transaction. Despite later utter lack of good faith by the seller or lender, or even outright cheating on the quality of the goods purchased on credit, the customer is left with no legal right of self-defense against the alleged debt, and is often gouged to the last penny of the obligation, plus, in many instances, a multitude of added-on charges, fees, and penalties representing outright financial cruelty.

Essentially, this is a problem for State laws to solve. But, like many of the other problems in the consumer credit field, action at the State level has been excruciating slow. I sincerely hope the information brought out in our hearings on the legal trappings of credit entrapment, so widespread in consumer credit transactions involving the poor and uneducated, will help to end such practices as the use of confession of judgment notes.

THE CONSUMER MUST FIGHT FOR HIS RIGHTS

In connection with this legislation, I strongly urge the leaders of our many voluntary nonprofit organizations, public agencies, newspapers and other mass media, and all whose interest in political issues is primarily from the standpoint of the public interest, rather than special economic interest, to alert the consumers of this country to the many protections they already enjoy by law, to encourage them to seek and obtain the help which is available to them and educate them on how to fight for their rights in the credit marketplace. Agencies engaged in aspects of the war on poverty must become particularly alert to their opportunities to help individual families protect themselves from the predatory racketeers which infest the fringe of the credit industry and which zero in on those least able to defend themselves.

H.R. 11601—if enacted by Congress without destructive amendments such as the revolving credit and \$10 exemptions recommended as committee additions to this bill—can provide substantial additional help to all consumers, from highest to lowest economic levels, in utilizing credit with greater selectivity and effectiveness. The greatest need for this help, of course, is at the lowest income levels, where the words "credit" and "gouge" are often synonymous to the user-victim. If H.R. 11601 can succeed in this objective, all who participate in its enactment can be proud of having had an opportunity to serve in the cause of economic decency.

Mr. PATMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I am happy to yield to the chairman, the gentleman from Texas.

Mr. PATMAN. The gentlewoman referred to two important amendments which must be defeated. Am I correct in assuming that one of them relates to

the language on pages 10 and 12, sections 203(b)(7) and 203(c)(5) about the \$10?

Mrs. SULLIVAN. The exemption for transactions in which the credit charge is \$10 or less—that is, loans or purchases up to about \$110.

Mr. PATMAN. Yes; and the other one relates to the language on page 13, line 12, and on page 14, lines 10 through 13, dealing with the change from an annual percentage rate to a periodic percentage rate for revolving credit.

Mrs. SULLIVAN. Yes.

Mr. PATMAN. So we must restore the word "annual" and strike out the words "per period" on page 13, and restore the original language in lines 10 and 11 of page 14. Is that correct?

Mrs. SULLIVAN. Yes. If I may clarify the point for the Committee of the Whole House, Mr. Chairman, the language of the original bill on annual rate for revolving credit has a line stricken through it now.

The language that is shown in italics on those pages to which the gentleman refers are the amendments that were adopted in committee. These are the amendments I am asking the Committee of the Whole to vote down.

Mr. PATMAN. On pages 13 and 14.

Mrs. SULLIVAN. Yes; that is on the revolving credit exemption, and on pages 10 and 12 are the amendments on the \$10 exemption. Probably we will ask that where two or more amendments relate to the same thing, they be considered en bloc when the time comes.

Mr. PATMAN. Mr. Chairman, I thank the gentlewoman.

Mrs. KELLY. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I am happy to yield to the gentlewoman from New York.

Mrs. KELLY. I wish to take this opportunity to compliment the gentlewoman from Missouri for the part she has played in bringing this bill to the floor. Her role was strong and strenuous. She devoted tremendous time and effort to the hearings and was determined that we have a good truth in lending bill.

I realize the gentlewoman would want me to say she alone is not responsible for this bill, but we all know the great work she has performed on this issue, as she has done on all legislation for the consumer.

I really hope the members of the Committee will support her in the arguments she has presented so ably and so well in her excellent speech.

I thank the gentlewoman for yielding.

Mrs. SULLIVAN. I thank the gentlewoman from New York for her kind words. She has been a strong supporter of truth in lending and has introduced her own bill on this subject.

Mr. Chairman, I urge the adoption of this bill and I urge the Committee to vote down the two amendments I described when we reach them in the bill under the 5-minute rule.

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

Mr. GONZALEZ. Mr. Chairman, I am honored to follow the gracious and distinguished Congresswoman from Missouri, Mrs. LEONOR SULLIVAN, and to endorse her position on closing the im-

portant loopholes in the Consumer Credit Protection Act. As a member of Chairman SULLIVAN's Consumer Affairs Subcommittee, I can testify to her zeal and leadership in behalf of the American consumer.

I am a cosponsor of H.R. 11601, and have been privileged to participate in the hearings on this important legislation. I feel distinctly honored to be associated nationally with full and complete disclosure of interest rates both in contracts and advertising, for this caps a fight I have been engaged in since my service in the Texas State Senate.

While I wholeheartedly support the strongest consumer protection provisions, I have a special interest in wage garnishment. My position has been for total and outright banishment of this unnecessary collection process. My native State of Texas has constitutionally prohibited all garnishment since 1876.

Total prohibition works well in Texas. It protects the wage earner; it has not hampered the growth of the consumer credit industry.

Despite my consistent and active support of total garnishment as originally contained in H.R. 11601, the full committee amended the bill to prohibit garnishment of 90 percent of a worker's wage, after exempting the first \$30 weekly. However, I accept this compromise as reasonable. H.R. 11601 now restricts commercial garnishment to 10 percent of a worker's wage above \$30. This restriction does not effect court support judgments, nor does it effect State or Federal tax assessments.

I will have more to say in support of prohibiting garnishment later in the debate. At this time I just wish to reiterate my enthusiastic support of consumer credit protection.

Mr. FINO. Mr. Chairman, at this time I yield 2 minutes to the gentleman from Pennsylvania [Mr. WILLIAMS] for the purpose of asking the gentlewoman from Missouri a question or two.

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, I thank the gentleman from New York for yielding this time to me.

On page 9 of the bill as it was originally presented, section 203, subsection (b) it states:

This subsection applies to consumer credit sales other than sales under an open end credit plan. For each such sale the creditor shall disclose, to the extent applicable—

And then it goes on to list the things which must be disclosed under the type of credit which we know as installment credit. No. 6 thereof states "the amount of the finance charge," and, of course, this amount would have to be expressed in dollars and cents. Yet when I go over to page 13 where we get the provisions that must be disclosed by the creditor to a revolving charge account customer, which, of course, is an open end credit plan, I fail to find any place in here where the actual disclosure of dollars and cents in finance charges is required. Why is that omitted as far as open-end credit plans are concerned?

Mrs. SULLIVAN. If the gentleman will yield?

Mr. WILLIAMS of Pennsylvania. I yield to the gentlewoman.

Mrs. SULLIVAN. Opening a revolving,

or open end credit account, is like opening a line of credit. The definition of an "open end credit plan" is found on page 8 of the bill, section 202(g) which says:

(g) "open end credit plan" means a plan prescribing the terms of credit transactions which may be made thereunder from time to time and under the terms of which a finance charge may be computed on the outstanding unpaid balance from time to time thereunder.

This, of course, is completely different from an installment type of contract, where you know in advance what the credit charges will be in dollars and cents.

You cannot predict in advance what the dollars and cents credit costs will be on a revolving account, but you can—as we do—require them to tell you each month what the charges were for the previous month. And how those charges were determined.

Mr. WILLIAMS of Pennsylvania. That is the point I am making. Unless you know the dollars and cents that the credit is going to cost you in advance, how will you figure the annual interest rate?

Mrs. SULLIVAN. As I argued with the gentleman during the hearings and also in committee, I think any sixth grade student can tell us how they figure and apply interest rates. We have had this argument time and time again. The claim is made that 1½ percent is not 18 percent per year. The only thing I can tell you is if anyone in this House will put down the figure of \$100 as the balance that is due and the department store is going to charge them a 1½-percent service charge on that \$100, that equals \$1.50 for that payment for that month for a service charge.

Now, we figure the old way that we were taught to figure interest, and multiply 18 percent of \$100 and divide that result by 12, because this is a monthly bill, and it comes to the same \$1.50. There cannot be any question about 1½ percent a month being 18 percent a year. It is the nominal annual rate. Just as 2 percent a month would be 24 percent a year.

Mr. WILLIAMS of Pennsylvania. Well, permit me to say in answer to the response by the distinguished gentlewoman from Missouri that if it is that simple in the form of dollars and cents, then it should be included in this bill. However, I do not agree it is that simple.

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

Mr. Chairman, I rise in support of H.R. 11601 and it is a bill for which we have waited a very long time.

Mr. Chairman, I would like to begin by stating that this legislation in the opinion of the minority is the toughest truth-in-lending bill that has ever been debated by either House of the Congress of the United States.

Now, Mr. Chairman, the distinguished gentlewoman from Missouri [Mrs. SULLIVAN] made much of the fact that the former Senator from Illinois, a Senator Douglas, who was a pioneer in the advocacy of this type of legislation and who is the past principal advocate in truth in lending has praised the Senate truth-in-lending bill as a milestone.

Mr. Chairman, as I indicated, our bill is even tougher and more comprehensive than the Senate bill.

In my opinion this is a piece of legislation of which we can be proud. It does represent a big forward step toward protecting the American consumer. In a nutshell, the bill which our committee reported out and which is now before us for consideration, does the following:

First. It requires full disclosure of financial charges in both credit transactions and offers-to-extend credit.

Second. It provides for truth-in-credit advertising.

Third. It requires mortgage lenders to disclose annual rates regarding the financial charges on both first and second mortgages.

Fourth. It prohibits the garnishment of a workers' wages in excess of 10 percent and exempt \$30 per week of his earnings.

Mr. Chairman, several of these provisions are not contained in the Senate bill; namely, truth-in-credit advertising and disclosure of rates and charges on first and second mortgages.

Mr. Chairman, it is my opinion that our bill is as strict as we can feasibly make it. And, I say to the Members of this House that we should not try to enlarge its scope further until we see how its essential provisions work and not do anything further until we have had an opportunity to see this legislation work. In other words, we can always come back next year and amend and modify and change the legislation in order to meet the changing conditions or the objections that might be found to it.

Mr. Chairman, I would like to elaborate for a minute on this bill and the Senate bill as well, which excludes revolving charge accounts from the requirement of stating interest in annual figures.

Mr. Chairman, our committee decided that annual percentage rate statements would not—and I repeat—would not accurately reflect the credit charges actually imposed upon such transactions. Our decision hinged upon the fact that most revolving credit arrangements give customers a free ride for a month or two so that monthly interest rates actually apply to several months and are thus distorted if put on an annual basis.

Let me say, however, that this exclusion is only to apply to a narrow range of revolving charge accounts. It is not our committee's intention to let most types of credit activities escape from annualizing disclosure under the provisions of this bill.

Our committee has said that only ordinary revolving credit plans are to be exempted from the annual requirement. With this strict interpretation in mind, I believe that the revolving credit provision of the compromise bill now before us is a sound, good bill, and I hope that it will be maintained by this House and supported by this House.

No doubt many people will say that this bill is not perfect, and they are right. No bill is ever perfect. But I believe that this bill represents a good, basic attack on the problems of truth in lending, and

I further believe that it is a good beginning solution of a problem which has been debated back and forth for many years.

As the Members of this House well know, this problem has been with us a long time. The Senate took 7 years to bring a bill before that body, and before they passed it.

Not only does it set up reasonable guidelines for representing the features of credit transactions, but it sets up criteria for credit advertising and it includes a workable enforcement section.

This bill is no instant solution for all the turmoil arising from consumer credit problems in this country, but it clearly will be of major importance in assisting the American people, the American consumers, to make better and safer use of consumer credit, and that certainly should be our basic objective.

Certainly after many years of deliberation and debate and hearings—and we had weeks and weeks of hearings before our committee—the time has finally come for action, and I urge the House Members to pass this bill as it was reported by the committee. We went through all of the arguments that the gentlewoman from Missouri [Mrs. SULLIVAN] will present to this House tomorrow. We debated the pros and cons, and after due deliberation a majority of the committee came out and supported this type of legislation now before us.

So let us not try to legislate on the floor of the House tomorrow with amendments that will probably cause great difficulties and turmoil with respect to this legislation. We do not need any additional amendments to this bill. I believe it is a good bill. We might have some difficulty when we get over to the Senate side on a conference, because this is a much stronger bill than was proposed and passed by the Senate, but let us not unnecessarily complicate this legislation with amendments that will be proposed tomorrow.

As I said earlier, and I repeat here now again, this bill, H.R. 11601, is a sound and strong piece of legislation in which we can take pride. This measure represents a big step in the right direction to safeguard the American consumer. I urge the House to accept this legislation when it comes up for a vote tomorrow.

Mr. McCORMACK. Mr. Chairman, would the gentleman yield?

Mr. FINO. Mr. Chairman, I would be very happy to yield to the distinguished Speaker.

Mr. McCORMACK. I thank the gentleman for yielding.

It has been said that the revolving credit provision, as reported out of the committee, creates discrimination in that it benefits or exempts some of the large credit houses, and includes practically all of the business that are competitive.

Would the gentleman explain the operation of this provision in reference to those who are included and those who are excluded and whether or not it makes it competitively more difficult for those who are included over those who are not included?

Mr. FINO. We must first bear in mind the revolving credit provision applies to only 3 percent of all the credit.

Second, our committee in determining that this was the best approach did so on the basis of the testimony before the committee and all of the testimony before our committee with charts. I do not profess to be an accountant or an expert on figures, but all of these charts indicated that if you were to take into account a revolving credit account in no event will it ever reach the figure of 18 percent per annum—never.

What we would be doing if we were to adopt the suggestion of the gentlewoman from Missouri in annualizing this to 18 percent then is that we would be telling all these department stores that you are so concerned about—go ahead, charge 18 percent even though it does not come to 18 percent.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. FINO. I yield to the gentlewoman.

Mrs. SULLIVAN. First of all, some of these revolving credit accounts come out to an effective rate of more than 18 percent, but all we are asking for is the nominal rate of 12 times the monthly rate. It is figured on a monthly balance which may change each month, but the rate is always the same. They do not wait until the end of the year to bill their customers. They bill them monthly. But whether they say they charge $1\frac{1}{2}$ a month or at a rate of 18 percent a year, it would come out to absolutely the same figure.

Most of the department stores in this country and the big catalog houses charge at least 1.5 percent per month, and that is 18 percent a year.

Mr. FINO. The gentlewoman and I are in complete agreement that the charge is 1.5 percent per month. The only time that we part company is on the gentlewoman's contention that 1.5 percent per month times 12 is 18 percent. The testimony, as the gentlewoman knows, in the hearings, and she chaired all the hearings—the testimony before the committee clearly indicated that in no event do the charges on revolving credit accounts come to 18 percent.

Mrs. SULLIVAN. I would not agree to that statement. We have a staff report in the hearings which disputes that statement. In any event, may I just read this telegram. Perhaps you have received this same telegram, which is from Mr. Ashley D. DeShazor, vice president for credit of Montgomery Ward. He testified for all of the catalog houses before our committee and for the retail association.

His telegram says:

If the requirement to disclose the monthly rate is regarded as inadequate and an annual rate is to be required, then all grantors of revolving charge credit should be required alike to disclose the nominal/as opposed to effective/annual rate which is the periodic rate multiplied by the number of payment periods in a year.

This is all that we have been asking for over the past 7 months. If the gentleman has received the same telegrams from these big catalog houses that I have received, it is clear that the big-

gest houses have now had a second look at the legislation and they are no longer happy with the amendment that was put in by the committee by a vote of 17 to 14. This is significant, because Mr. DeShazor testified for it.

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FINO. I yield to the gentleman from Pennsylvania.

Mr. WILLIAMS of Pennsylvania. I do not believe that the entire program was read. If you read the early part of that telegram a different position is taken.

Mr. FINO. Will the gentleman from Pennsylvania please, for the benefit of the Members, tell the House who that telegram is from.

Mr. WILLIAMS of Pennsylvania. The telegram is from Ashley D. DeShazor, vice president of credit, Montgomery Ward.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield at this point for just a moment?

Mr. FINO. I yield to the gentlewoman.

Mrs. SULLIVAN. I called Mr. DeShazor last night when I received his telegram because it seemed to me that several of the words in the telegram were garbled or not properly recorded. I said to him, "Before I repeat this telegram, I want to understand what you are saying the last sentence apparently clarifies it." I said "I would like to release this telegram, and reading this last sentence explains what you mean. And I will not do it without your consent." He said, "You have my consent."

You can call Mr. DeShazor and verify that. I am herewith attaching my full statement on this last night and the telegrams I received, as follows:

STATEMENT BY MRS. SULLIVAN

I've just received telegrams this afternoon from two of the big Chicago mail order houses notifying me for the first time that they do not favor the revolving credit exemption in the truth-in-lending title of H.R. 11601. These wires came from Spiegel's and from Montgomery Ward.

Spiegel's believes the amendment is "unfair and discriminatory." This, of course, is exactly what I have been saying. Montgomery Ward sent me a telegram which I found very hard to understand without calling the man who sent it to me, Mr. Ashley D. DeShazor, Vice President for Credit.

What it comes down to is that the revolving credit exemption contains conditions which Mr. DeShazor now says cannot be met by some revolving credit plans. Unless all revolving credit plans without exception can have the benefit of a monthly rate, he told me that his firm now favors an annual rate for all revolving credit based on the "nominal" rate as determined by multiplying the monthly rate times twelve.

This is an extremely significant breakthrough among the large retail chains. Added to all of the protests Members of the House have received from bankers, independent merchants of all kinds, and from consumers, I do not see how more than a handful of Members would now be willing to vote for a special interest exemption in this bill which benefits only some of the department stores and just some of the big chain retailers. I have just called Sears Roebuck and they say they feel now the same way about this as Montgomery Ward.

I am attaching these telegrams and statements.

CHICAGO, January 29, 1968.
Representative LEONOR K. SULLIVAN,
House of Representatives,
Banking and Currency Committee,
Washington, D.C.:

Regarding the truth-in-lending legislation pending in the House of Representatives, Montgomery Ward, which has both traditional installment time payment contracts and revolving charge plans, takes the position that it favors disclosure of annual rate on time payment contracts since such disclosure is commercially feasible and can be accurately stated. With respect to revolving charge accounts, Montgomery Ward is opposed to a requirement of simple annual rate disclosure since it is impossible to predetermine an effective annual rate on retail revolving charge accounts. Monthly rate disclosure is full and accurate disclosure. If the requirement to disclose the monthly rate is regarded as inadequate and an annual rate is to be required, then all grantors of revolving charge credit should be required alike to disclose the nominal—as opposed to effective—annual rate which is the periodic rate multiplied by the number of payment periods in a year.

ASHLEY D. DE SHAZOR,
Vice President, Credit, Montgomery Ward.

WASHINGTON, D.C.,
January 29, 1968.
HON. LEONOR K. SULLIVAN,
Rayburn House Office Building,
Washington, D.C.:

Contrary to the information contained in the news story on page two of today's Washington Post not all mail order houses in Chicago are supporting the Senate definition of revolving credit as contained in the committee adopted bill reported from the House Banking and Currency Committee. Spiegel Incorporated believes that the committee adopted definition of revolving credit is unfair and discriminatory. The committee adopted definition treats one group of retailers in one manner and another group of retailers in yet another manner. Spiegel believes that uniformity is essential to any statute adopted by the Congress involving costs of credit disclosure. We urge that the House delete the Senate definition of revolving credit and adopt procedures which afford all retailers equal treatment.

CYRUS T. ANDERSON.

RELEASE GIVEN TO MRS. LEONOR K. SULLIVAN
BY MR. LARRY O'CONNOR, VICE PRESIDENT
AND GENERAL COUNSEL, SEARS, ROEBUCK &
CO., CHICAGO, ILL. JANUARY 29, 1968

Sears believes that all grantors of open end credit should be afforded equal treatment in credit legislation.

For seven (7) years the retailing industry has maintained that it is impossible to predict the simple annual rate of any open end credit plan. Congressional recognition of this fact appears throughout the hearings and Committee reports of both S-5 and H.R. 11601. It follows that the only possible annual rate for open end credit that is capable of being precalculated is a nominal annual rate using the formula of 12 times the monthly charge. This creates three choices for handling open end credit:

1. Exempt all open end credit from annual rate disclosure; or
2. Require the disclosure of only the monthly charge; or
3. Require the disclosure of both the monthly charge and the nominal annual rate.

Whichever alternative Congress decides to adopt, it is our opinion that it should be applied equally to all grantors of open end credit.

Mr. WILLIAMS of Pennsylvania. Would you care for me to read the telegram in its entirety?

Mr. FINO. Yes, I would like for the gentleman to read the telegram.

Mr. WILLIAMS of Pennsylvania. The telegram reads as follows:

Regarding the truth-in-lending legislation pending in the House of Representatives, Montgomery Ward, which has both traditional installment time payment contracts and revolving charge plans, takes the position that it favors disclosure of annual rate on time payment contracts since such disclosure is commercially feasible and can be accurately stated. With respect to revolving charge accounts, Montgomery Ward is opposed to a requirement of simple annual rate disclosure since it is impossible to predetermine an effective annual rate on retail revolving charge accounts.

Mr. FINO. I thank the gentleman.

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

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

Mr. HANNA. I want personally to thank the Speaker for bringing to the Committee the question he has asked. I wish to assure the Speaker and this House that I shall clearly disclose to them the reason that Montgomery Ward is now for the annual interest rate disclosure, why Sears, Roebuck is now for it, and why Spiegel has always been for it. They are for it, and I assure you and will prove to you not for what the interest rate discloses, but for what it covers; they are for it not for what it does for the consumer but because of what it does for them. But if there is any specific gain to be had out of this legislation, I assure you I will show you that it is for these specific people if we adopt that specific plan.

Mr. FINO. I thank the gentleman.

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

Mr. FINO. I am happy to yield to the gentleman from New Jersey.

Mr. MINISH. I thank my good friend from New York.

Did I correctly understand the gentleman to say that Senator Douglas prefers the bill that is now before the House?

Mr. FINO. Senator Douglas came out in strong support of the Senate bill when it came out of the Senate. He thought it was a good, sound bill. And this bill, as I indicated in my opening remarks, is a much better bill than the Senate bill.

Mr. MINISH. Mr. Chairman, will the gentleman yield further?

Mr. FINO. Certainly.

Mr. MINISH. I would like to quote from the hearings:

Mr. MINISH. Do I understand that to mean that you support the House version of the bill?

Mr. DOUGLAS. Yes; I prefer the House version except I don't think you need to have everything in the House bill.

But on the point specifically dealing with consumer credit—your bill—and I am happy that Congressman Gonzalez and you and Congressman Annunzio, my old friend, are cosponsors of this bill. Your bill is superior to the Senate bill. And I think if you got Senator Proxmire here, he would say so, too. He had his back to the wall. He was fighting for his life against a hostile committee, remember that. It is marvelous that he got it through over the privileged opposition.

Mr. FINO. I thank the gentleman for his contribution.

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

Mr. FINO. I yield to the gentleman from Missouri.

Mr. HALL. I appreciate the gentleman's yielding. I simply seek information. Many of us have not been privy to all of these hearings, such as the committee has, and I am sure they have done excellent work. But from reading the report, we know there are several methods of computing financing or carrying charges, and it gets a little confusing to see the different types of carrying charges for the so-called disclosure at monthly or even annual rates. Would not different figures occur in using the different computing methods such as the first, the Merchants rule; or, second, the U.S. rule, or, third, the constant-ratio formula?

Mr. FINO. I would assume so.

Mr. HALL. Under that circumstance, and again under the disclosure provisions of this bill, would different figures appear in the applying of different computing methods for finance charges or annual rates? I think this is all we need to know.

Mr. FINO. I think there would be a difference between the monthly rate and the new rate, more particularly when we are dealing with the open-end or the revolving account, where payments are being made during a period of months and purchases are being made during the same period of months. That is why the department stores indicated it would be very difficult to say that the rate would be 18 percent at the end of the year.

Mr. HALL. I understand there would be a variation. It would be hard for one skilled even in integral calculus to determine the result when payments are being made and purchases are being charged to various accounts in varying amounts. Finally, this leads to the question as to what computing method does this legislation call for in calculating finance charges?

Mr. FINO. I am sorry; my attention was distracted for a moment.

Mr. HALL. What computing method does this legislation call for in calculating the annual finance charges? That is the meat of the coconut, as far as a decision about supporting this legislation in title I is concerned.

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FINO. I yield to the gentleman from Pennsylvania.

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, I thank the gentleman for yielding.

I think I can answer that question by referring to page 15, the point the gentleman from New York [Mr. FINO] has been making, that in order to compute the annual interest rate as it applies to a revolving charge account, certain factors must be known in advance, which are not known in advance with this type of charge account.

On page 15, subparagraph (5), it says:

Any creditor under an open end credit transaction shall furnish any party to the transaction with a written estimate of the approximate annual percentage rate of the finance charge on the transaction determined

in accordance with regulations issued by the Board, if the party making the request specifies or identifies the repayments schedule involved and such other essential credit terms as may be prescribed in the regulations issued by the Board.

So all this bill provides is that the purchaser will make available to the merchant in advance the necessary information. Then the merchant shall compute the approximate annual interest rate and furnish that to the customer.

Mr. FINO. Mr. Chairman, at this time I yield 3 minutes to the gentlewoman from Massachusetts.

(On request of Mr. FINO, and by unanimous consent, Mrs. HECKLER of Massachusetts was allowed to speak out of order.)

DAVID G. OUELLET, SEAMAN, U.S. NAVY, DECEASED—AWARD OF MEDAL OF HONOR

Mrs. HECKLER of Massachusetts. Mr. Chairman, I rise on this occasion to call to the attention of my colleagues one of the most significant acts of heroism of the Vietnamese war, acknowledged today by the U.S. Government, by the Secretary of the Navy, in the presentation of the Medal of Honor to David George Ouellet, a constituent of mine, who paid the ultimate price for the safety of his comrades in Vietnam. Over 500,000 men have served or are serving in Vietnam; 26 of those brave men have been singled out for this special award.

David Ouellet served in the Navy and was trained in river patrolling. After serving in the training school, he was sent to Vietnam and there he performed one of the most heroic acts of this unfortunate war. The citation accompanying the award, which was awarded today posthumously to his parents, Mr. and Mrs. Chester J. Ouellet, of Wellesley, Mass., states:

For conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty while serving with River Section 532, in combat against the enemy in the Republic of Vietnam. As the forward machine gunner on River Patrol Boat (PBR) 124, which was on patrol on the Mekong River during the early evening hours of March 6, 1967, Seaman Ouellet observed suspicious activity near the river bank, alerted his Boat Captain, and recommended movement of the boat to the area to investigate. While the PBR was making a high-speed run along the river bank, Seaman Ouellet spotted an incoming enemy grenade falling toward the boat. He immediately left the protected position of his gun mount and ran aft for the full length of the speeding boat, shouting to his fellow crewmembers to take cover. Observing the Boat Captain standing unprotected on the boat, Seaman Ouellet bounded onto the engine compartment cover, and pushed the Boat Captain down to safety. In the split second that followed the grenade's landing, and in the face of certain death, Seaman Ouellet fearlessly placed himself between the deadly missile and his shipmates, courageously absorbing most of the blast fragments with his own body in order to protect his shipmates from injury and death. His extraordinary heroism and his selfless and courageous actions on behalf of his comrades at the expense of his own life were in the finest traditions of the United States Naval Service.

Despite our differences in posture on the war in Vietnam—whatever position each of us may hold—we join in respect

for and gratitude to the servicemen who represent us and serve us.

We join today in paying honor and respect to the family of this outstanding seaman, who is an inspiration to each and every one of us.

It is with great honor and with personal sadness that, as the Representative from his district, I call this tragic and heroic feat to the attention of the Congress.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. PATMAN. Mr. Chairman, I yield 6 minutes to the gentleman from New Jersey [Mr. MINISH].

Mr. MINISH. Mr. Chairman, while I view any legislation in the area of consumer credit and education as a step forward, and of course support such legislation, it is unfortunate that the legislation before the House today is not a complete bill, but rather one that deals with only a portion of the problem concerning the American consumer.

I had hoped that H.R. 11601 would not have been saddled with amendments that would strike the very heart from the legislation. But unfortunately two amendments adopted by the Banking and Currency Committee have stripped this bill of much of its total effectiveness.

It should be made clear that there are many sections of this bill that will prove of great benefit to consumers and wage earners, such as title II, which provides for restriction on the garnishment of wages. The measure provides a restriction on garnishments to 10 percent of earnings of an employee above \$30 a week, and at the same time, prohibits an employer from discharging an employee by reason of a single garnishment of the employee's wages.

Levels of personal bankruptcy have risen at truly an alarming rate. While such bankruptcies were at a level of 18,000 per year in 1950, for the fiscal year ending June 30, 1967, personal bankruptcies had risen to 208,000. Personal debts canceled by virtue of such consumer bankruptcies reached about \$1.5 billion in that year. During hearings on H.R. 11601, the committee heard testimony, accompanied by supporting evidence, that clearly established a cause-and-effect relationship between harsh garnishment laws and high levels of personal bankruptcies. Statistics obtained from the bankruptcy division of the Administrative Office of the U.S. Courts further support this conclusion. In States such as Pennsylvania and Texas, which prohibit the garnishment of wages, the number of nonbusiness bankruptcies per 100,000 population are nine and five, respectively. While in turn, States having relatively harsh garnishment laws, the instance of personal bankruptcies range between 200 to 300 per 100,000 population.

Thus, I think it can quite clearly be seen that the garnishment section of H.R. 11601 is an important section of the bill.

I would be remiss and a victim of a guilty conscience, if I did not express my strong disapproval of two sections of this legislation that were adopted as com-

mittee amendments. The first provision would exempt from the annual disclosure requirements most department store revolving credit accounts. The second objectionable provision provides an exemption from any rate disclosure requirements of transactions in which the credit charge is \$10 or less.

The question thus arises in connection with this legislation is not who and what is covered by this legislation but rather who and what type of transactions are not covered by the bill but have been blessed with preferential treatment at the expense of the consumer.

Although revolving credit represents only about 5 percent of the outstanding consumer debt, it is one of the fastest growing areas in the total consumer picture and it is estimated that in only a few years it may equal roughly 50 percent of consumer debt. With this in mind, it does not seem equitable either for those businesses covered by the legislation or to the consumer to grant a blanket exemption to all revolving credit, merely because the department store and certain other retailers do not wish to state their interest charges on an annual basis. It seems strange to me that we are dealing with legislation that requires only some credit extenders to tell the truth about their rates on credit transactions, while large sections of our business population receive a total exemption from such rate requirements. In short, these businesses are saying "we do not want to tell the truth."

The same reasoning applies to the exemption for transactions in which the credit charge is \$10 or less. This amount of credit charge would, in most cases, represent a credit extension of some \$110. By exempting these smaller amounts on the financial scale, we are turning our back on the poor- and moderate-income groups. Since it is those on the lower economic scale who are most victimized by unscrupulous lenders and creditors, it is imperative that the legislation have its greatest thrust in that income area. But as a result of this committee amendment, which I strongly opposed, the legislation does not go to that point nor seek to help those individuals.

It is my hope that the exemptions for revolving credit and for finance charges of less than \$10 will be defeated so that we can have a whole truth-in-lending bill.

Mr. WIDNALL. Mr. Chairman, I now yield 10 minutes to the gentlewomen from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Chairman, this is a bill of critical importance in many ways, especially to the 200 million American consumers who deserve protection against deceptive practices and who have a right to make an informed choice when it comes to borrowing money or buying on credit.

It is also a unique bill in one significant respect. It is the only major bill of a highly controversial character—in my memory—in which the controversy is centered on a minuscule 3 percent of the bill. I refer to the short-term type of revolving credit, or open-end credit, which today accounts for about 3

percent of the nearly \$96 billion of outstanding consumer credit.

Except for a few relatively minor points, it is this modest corner of the credit world which accounts for most of the dispute. Otherwise, there is virtually universal agreement that the truth-in-lending bill reported by our Banking and Currency Committee should be enacted into law without further delay. After all, the American people have already waited 10 long years for the protection this legislation will provide. Their impatience for action, I suggest, was reflected in the fact that the Senate approved similar legislation by a vote of 90 to 0, and our committee reported the bill favorably with only one dissenting vote.

Since revolving credit is the issue, I suggest we concentrate on resolving the issue and passing the bill. It is an issue that should be readily resolved, for the controversy that has surrounded revolving credit is, in my judgment, largely groundless. It is based on the mistaken assumption that all forms of credit are alike and thus can be subjected to the same simple disclosure formulas. This assumption is inaccurate, and to accept it would be to compare apples and oranges. The result would be unworkable and inequitable.

Contrary to what you will hear in this debate, there is no "loophole" for revolving credit in the committee bill. There is no blanket exemption for revolving credit from the annual rate requirements of the legislation. There are no inequities involved in the revolving credit provisions. Any lack of uniformity in the treatment of various kinds of credit is more apparent than real. Where differences exist, they are required by the very reasons of equity, accuracy, and honesty which this bill is designed to serve.

Revolving credit, Mr. Chairman, comes in two basically different forms: long term and short term. Long-term revolving credit resembles installment credit. It is used in the purchase of more expensive items in department stores. As such, it competes with stores offering installment credit plans and therefore can and should be subject to the same disclosure provisions. The committee bill recognizes these facts and provides for disclosure of such revolving credit costs on precisely the same annual rate basis as other forms of installment credit.

Short-term revolving credit is different. In addition to comprising only a tiny share of total consumer credit, it is substantially limited to lower-cost items. Repayment schedules, so-called free periods, and other credit practices vary widely. Unless this credit information is known in advance, there is no way to determine the actual finance charge either as a dollar figure or as an annual rate.

Therefore, unless the Congress is prepared to force all creditors using this kind of revolving credit to conform to a single system of credit, there is no way of establishing a single annual rate which will cover all the variations.

Here again, however, the committee bill is based on the realities of the situation, not on the superficial appearance of uniformity. Full disclosure of the ac-

curate costs of credit is the goal and the bill provides for just this—no more, no less.

First of all, the committee bill requires creditors offering revolving credit plans to disclose far more detail about their credit plans than other forms of credit. In addition, this information must be regularly disclosed at each billing period, a requirement not imposed on other creditors. Finally, and most important, each customer is guaranteed the right to obtain, in writing, a statement of the effective—by which I mean actual or real—annual rate of his own individual finance charges. All he has to do is ask and provide his creditor with a proposed repayment schedule and related credit information—without which information no accurate determination of the annual rate is possible. The consumer's right to full information about the costs of credit, including the effective annual rate, would, therefore, be more than adequately protected by the committee bill.

The key word, Mr. Chairman, is "effective." In the case of bank loans, installment plans, and similar kinds of credit, the customer repays a stated amount at each period—usually monthly—and so the stated annual rate is the same as the effective annual rate. With short-term revolving credit, there is no such regularity. Customers have wide leeway in deciding how and when and in what amounts to pay their bills, and the pattern of repayment they choose determines both the amount and the effective annual rate of their finance charges. No single arbitrary annual rate, therefore, would cover all revolving credit accounts. It can only be done on an individual basis—and the committee bill so provides.

Our position is very simple, Mr. Chairman. The hearings clearly showed that the effective annual rate of finance charges on short-term revolving credit is often less than 18 percent, even though the applied monthly rate is one and a half percent. The effective rate may be 12, or 14 or 16 percent a year. In any event, where the effective rate is substantially less than the applied 18-percent rate, we believe that accuracy and honesty requires disclosure of the effective rate, the real rate.

The problem becomes clearer—and the committee solution more compelling—Mr. Chairman, when we look at the alternatives.

Under the Senate bill, short-term revolving credit would be exempt from annual rate disclosure. Creditors would be required to reveal only the monthly rate, usually one and a half percent. This would place competitors in the banking and installment fields at a great disadvantage, if only for the reason that one and a half percent a month sounds a great deal less than the annual equivalents of 12 to 18 percent a year. Consequently, it would be unfair to many businesses and it would deny to consumers their right to compare the costs of alternate sources of credit. The committee bill, I repeat, removes this Senate exemption.

The proposal to require disclosure of a single annual rate for all revolving credit

accounts—regardless of individual differences—would be similarly misleading. As we have seen, 1½ percent a month does not always yield 18 percent a year. To insist, when the effective rate is substantially less than 18 percent, that creditors disclose the higher and arbitrary figure would be a grave injustice to both creditors and customers. It would defeat the purposes of the bill. The only beneficiaries, obviously, would be those who seek an unfair competitive advantage.

Of potentially greater importance is this fact: If all department stores charging 1½ percent a month on their revolving credit accounts are forced to disclose an annual rate of 18 percent on all their accounts, then I predict it will not be long before such stores actually charge and get the 18 percent. It would be ironic, indeed, if truth in lending should be made the vehicle for raising already high finance charges. The American consumer would not be inclined to be grateful.

The same objections apply to the proposal to require disclosure for all forms of credit on a monthly rate basis. Here, too, the appearances of uniformity would only mask the substantial differences in effective interest rates and thereby deny consumers the availability of full and accurate information. Moreover, Mr. Chairman, I would remind our colleagues that this proposal—despite its honorable auspices—was never considered by our committee, either during hearings or in executive session.

So much for the substance of revolving credit. It would be useful, also, to consider the politics of this issue.

The committee's solution to the revolving credit controversy was the product of careful and constructive compromise and the result of bipartisan cooperation. Of all the alternatives, it is the most widely acceptable to all parties at interest; it offers the greatest protection to consumers; and it is the most potentially effective, the fairest, and the most workable.

As such, it attracted the support of a bipartisan majority of the committee. Administration spokesmen have indicated they find the revolving credit compromise entirely acceptable. And the principal author of the Senate-passed bill has publicly stated his support of the committee bill.

To retreat now and jettison the committee compromise in favor of either of the more extreme and unworkable alternatives would only invite more controversy, create a lengthy impasse with the Senate, provide special advantages to a few, and introduce the danger that the final bill could not do the job which we and those we represent expect of truth-in-lending.

I should like to go on record, Mr. Chairman, on one other aspect of this bill. An amendment is being prepared, and I hope will be offered, to make "loan sharking" a Federal offense. When such operations involve or affect interstate commerce. I shall support such an amendment wholeheartedly. Through no fault of the bill, I believe it is obvious that it could not effectively stop the odious and criminal activity of loan sharking. It is also obvious that loan sharking is big, well organized, and entirely vi-

cious. It can be stopped only by enlisting the authority of Federal law.

In the final analysis, Mr. Chairman, the purpose—the only purpose—of our bill is truth, and the truth will only be served by disclosure of the most accurate possible information about the cost of credit. We are not here to take care of special interests, or make adjustments to suit individual desires. Our only obligation is to the people and to the truth.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HANNA].

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

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

Mr. JOELSON. Mr. Chairman, I want to express my strong support of the truth-in-lending bill, of which I am a cosponsor.

It is a sad fact of economic life that the poor and uneducated pay more interest on loans and installment buying than the more well to do and educated. It is essential that they be given full and frank information on interest charges.

Testimony before congressional committees has disclosed scandalous patterns of gouging of the unwary by the unscrupulous, and I am encouraged and impressed by the fact that my mail indicates that most financial institutions and retailers favor the truth-in-lending bill which requires the disclosure of specified information about loans or credit.

Not only should we protect consumers against fast talking, doubletalking promoters, but we should also protect ethical businessmen against this type of unfair competition.

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

Mr. HANNA. I yield to the gentleman from New York.

Mr. DULSKI. Mr. Chairman, we have an opportunity here to enact strong and meaningful legislation to provide consumer credit protection.

This legislation is needed, but I disagree with two crippling amendments which have been approved by close votes in the Committee on Banking and Currency. I shall oppose those amendments when they come up for vote.

One amendment would exempt revolving credit from the requirement for disclosure of annual rate. Approval of this amendment would create a damaging loophole in the bill.

Revolving credit, familiar in particular to credit customers of large department stores, is no small item in our economy. It accounts for nearly \$6 billion worth of credit sales annually to millions of consumers.

Further, the revolving credit loophole could very well become an escape hatch for other types of lenders who could simply convert from their present systems.

The second committee amendment I oppose would exempt from rate disclosure all credit purchases up to \$100. I fear this exemption would hit squarely the people we are most anxious to protect, the low and moderate income families.

As amended, the amendment exempts from rate disclosure any purchase where

the interest and credit charges total less than \$10. The effect, of course, is to exempt all purchases and loans under \$100.

Otherwise, I support H.R. 11601 as it came from committee.

I might observe that the provision which would end abuses in the garnishment of wages to collect debts is patterned after New York State law which has worked out well.

Mr. HANNA. Mr. Chairman, I would first like to acknowledge kudos to the gentlewoman from Missouri [Mrs. SULLIVAN], and the gentlewoman from New Jersey [Mrs. DWYER], for having given the appropriate leadership, as one would expect from the distaff side, on this great consumer problem. I believe that they, more than anyone else, deserve great credit for bringing this measure to the House.

I should also like to acknowledge the debt that is owed to our chairman, the gentleman from Texas [Mr. PATMAN] and the members of the committee who have been of great patience and who have given unstintingly of their time and effort in trying to make a bill that would be acceptable to the people of the United States and to the House of Representatives.

I will take my time here to try to bring a little light to this subject, which is greatly confused, not only by those who are trying to help it in the House, but those who are trying to help it from without the House.

It seems to me that the compromise bill that we have brought before the House represents a strong and affirmative first step in the direction of defining the role of responsibility of the Federal Government in assuring adequate information for use by the American consumers in shopping for credit.

A CONTEXT OF CONFUSION

I am for this bill as amended by the House committee. But let us talk about the confusion which surrounds this issue which is thicker than pea soup and far less palatable. It is, in large measure, a result of impassioned cries which are being sounded from nearly every corner by parties at interest. There is a great misunderstanding concerning the principal issue that will be in contention tomorrow—open-end revolving credit. This confusion is a result of the countless chorus of interest groups, all of whom are singing a different tune.

Consumer groups, big bankers, big retailers, small retailers, big furniture dealers, small furniture dealers, and a polyglot of other interest groups are all registering their position on this issue. Some support the committee, but even their support is suspect and limited. Many oppose the committee's position feeling that the committee bill does not provide as much as is required to satisfy their narrow definition of self-interest.

Mr. DEL CLAWSON. Mr. Chairman, I think the gentleman is making a very fine talk here and discussing something that merits the attention of the House and all the Members of the House.

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

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

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

[Roll No. 8]

| | | |
|---------------------|---------------|---------------|
| Abritt | Eckhardt | Mink |
| Andrews, N. Dak. | Erlenborn | Monagan |
| Ashley | Fountain | Moss |
| Brademas | Fraser | Resnick |
| Brock | Gubser | Rhodes, Ariz. |
| Brown, Mich. | Halleck | Robison |
| Cederberg | Hansen, Wash. | Rosenthal |
| Clark | Hathaway | St. Onge |
| Clausen, Don H. | Hawkins | Shriver |
| Cleveland | Kupferman | Smith, Iowa |
| Conte | Leggett | Springer |
| Corbett | Long, Md. | Taft |
| Corman | Lukens | Talcott |
| Cramer | McClory | Tunney |
| de la Garza | McCulloch | Van Deerlin |
| Diggs | McFall | Whalen |
| | Mills | |

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11601, and finding itself without a quorum, he had directed the roll to be called, when 381 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

THE CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HANNA].

Mr. HANNA. Mr. Chairman, when the point of no quorum was made, I was trying to clear up some of the confusion on the issue of revolving credit. To do so let us break down this issue. Basically there are three approaches to the question of disclosure of revolving credit:

First. Uniform disclosure of annual rate on all credit transactions.

Second. Uniform disclosure of the monthly rate on all credit transactions.

Third. Some combination of the two adapted to fit the varying characteristics of the credit transaction—the committee position.

Each of these positions has been emphatically argued by groups who believe their self-interest is best served by the given approach. There is nothing wrong with the way these groups have presented their position. Quite the contrary, this is a practice to which we have all grown accustomed. It is customary that interested groups should come forward to register their views. It is appropriate that the committee of the Congress should give each of these groups the full opportunity to register their position. This has been done. But let us not for a moment mistake the pronouncements of any of these groups who purport to espouse the general welfare, as being anything more or less than a position based on narrow self-interest.

Let us stop for a moment and analyze each one of the three approaches that I have enumerated in terms of the support they have. In doing so let us remember two basic facts:

First, that all revolving credit is not exempt from annual disclosure. It has been said that revolving credit encompasses 3 percent of all consumer credit.

That is true. However, we are being misled because revolving credit plans under which the debtor pays less than 60 percent of the obligation are, by virtue of the provisions on page 8, lines 14-17 of the bill, required to disclose the annual interest rate. The committee adopted this approach to provide, where practical and meaningful, uniform disclosure.

The second and more important thing is this: that the 1½-percent rate that the gentlewoman from Missouri [Mrs. SULLIVAN] has been discussing is not an interest rate at all. It is an application of a rate that depending upon when it is applied and to what it is applied can be used to impose an effective annual rate of more or less than 18 percent. I will demonstrate to you that if you take 1½ percent and make it 18 percent, you are not telling the consumer the truth at all.

Who is for this? The leaders of the consumer groups long ago swore a blood oath that they would support an annual disclosure of all credit transactions on an annual interest rate basis. This is the rock on which Senator Douglas broke himself for 7 years. Now they have rallied under this banner, and it has become sacrosanct. You cannot without your own peril take a position opposite to this, as being the right answer in truth in lending. The missionary zeal of these groups is so overwhelming that they have been willing to sacrifice everything—even the passage of a truth-in-lending bill—without which their argument has no context or practical meaning—to secure their objectives.

I respect these groups for their dedication to what they believe is in the national interest. However, I am unwilling to agree that their well-intended position should be embraced by this House. I do not believe that Congress would be discharging its responsibility if it failed to look behind this issue.

The consumer groups, if you look behind them, have suddenly some curious allies. For years they were attacking all the bankers and retailers for their opposition to the uniform annual disclosure. Now, suddenly we are receiving telegrams from Sears, Roebuck and Montgomery Ward and other big catalog houses saying that we ought to go along with Mrs. SULLIVAN.

I will tell you the reasons these people have changed their position and are for the bill and you can judge for yourself what credence should be given their statements. All you have to do is to find out if their credit yield is higher than the 18-percent disclosure requirement Mrs. SULLIVAN has called for. If it is, they back Mrs. SULLIVAN. If they are for the committee bill and against Mrs. SULLIVAN it is because their yield is lower than the 18-percent-per-annum rate Mrs. SULLIVAN wishes to legislate.

Because the committee bill creates a division within the revolving credit, the high-cost lenders cannot in most cases, take advantage of the exemption given unpredictable balances. This is because the high cost of their credit makes most of them go beyond the time period of 1 year to pay 60 percent of the bill. Therefore, they are not included under the committee definition of revolving credit.

Because of this they are exposed. Hence, their opposition to the committee bill.

Specifically Spiegel's credit plan is notoriously high cost. It is the largest, single house in the United States. Its repayment plan is so stretched out that only 30 percent of outstanding debt gets paid in a year and they cannot be protected by the House bill. They do not even come close to the 60-percent cutoff required. Thus, Speigel's has, right from the first, urged annual rate across the board so they can hide their high effective charges behind a statement of nominal rate.

This is Spiegel's, and from the very outset they said—

We are against the committee bill and for Mrs. SULLIVAN.

Montgomery Ward, like Spiegel, does not fall within the 60-percent figure. Their credit is cheaper than Spiegel's but more expensive than Sears and Penney's. For a time, Ward's flirted with the committed position. They finally had to face the choice—disclose an annual rate or shorten their terms and reduce their revenue. Faced with a declining competitive position and public antipathy for their involuntary insurance scheme, they opted to keep their terms, and therefore go along with the requirement that others disclose the same nominal rate, a ploy to hide Ward's higher costs.

Yesterday Sears announced support for uniform disclosure on a monthly or annual basis. Sears has shown great sensitivity at the State level to the question of different billing systems. It may well be that this sensitivity has led them to conclude that an exposure of their billing practices, though they are not as vulnerable as Ward's and Speigel's, would be more to their disadvantage than a statement of annual rate.

Ward's, Sears, and Speigel's all prefer annual rate disclosure to revealing the true rate of yield generated by their credit plans which charge 1½ percent against the beginning balance. An example will suffice to clarify the rationale of their position. It is taken from Consumer Reports buying guide, "Facts You Need Before You Buy in 1968," page 398.

If the monthly finance charge is applied to something other than the unpaid balance, (Speigel's, Ward's and Sears all do this), interest rates can run considerably higher. A charge of 1½ % per month added to the initial purchase price in a one-year credit deal comes to 33% interest. Some department stores, including Montgomery Ward and Sears, Roebuck & Co., charge a percentage of the opening balance on their monthly bill—the balance before subtracting any payments made or credits for items returned during the previous months. Interest is assessed on the entire balance. Thus, if the bill looks like this. Opening balance, \$100; payments, \$50; returns, \$10; and balance due, \$40.

Under the approach followed by Speigel's, Ward's, and Sears the service charge is levied against the opening balance. Hence, if the service charge is 1½ percent times \$100, or \$1.50, the charge is \$1.50. When it is compared with the balance due or \$40, it actually comes to \$3.75 per \$100 per month. The annual interest rate on that month's transactions is 12 times \$3.75 or 45 percent.

So I am telling you that you are not getting at the problem if you simply mul-

tly 1.5 percent times 12 percent and conclude the rate is 18 percent. It is not as simple as that. And anyone who thinks it is, is fooling himself and may unwittingly contribute to the deception of the American consumer.

The bank credit card systems are almost all forced to state an annual rate by the committee bill. They have a long-term pay-out period designed to insure a high yield. Since they are in direct competition with retail credit cards, they naturally would benefit if the retailers are required to make the identical disclosure that they already make. So that gives you the bank position. That is one of the most important things to know about why the banks are taking the position they are taking about the committee amendment.

Also the banks would have less flexibility than the retailers should the committee version prevail. Ward's, for example, could forgo some revenue, shorten their terms, and qualify for the exemption that is given under the bill. But the banks could not raise their prices in order to cover the loss in revenue.

The furniture dealers have a different reaction. Most of them sell strictly on installment credit. The same is true of the automobile dealers. They fear competition from those who extend revolving credit, and hence they support the uniform annual rate requirement so that they can discourage those who would use revolving credit, at a lower rate and at the quick turnover, in order to give the consumer a better deal on the interest that he will pay.

There is a further complication in the bank plans. In addition to the revenue, they have two ways that they can get more. If they use the check credit type of revolving plan, they levy a flat charge of 25 cents per check written. This assures them of the basic cost of handling even before the service charge comes up.

In the case of the bank credit card, they discount the retailer accepting the card on a certain transaction. In other words, on a retail sale of \$100, the bank will make a discount of about \$2.50 to \$3. Before the bank begins to levy service charges they already have the \$2.50 to \$3 on the discount. Because of this high cost to the average bank to handle money, they do not make much profit even with this discount.

I am not saying that they are not justified in trying to get these charges. What I am trying to explain to you is why they have taken the position they have on the legislation. Naturally the banks want the retailers to disclose on an annual basis. Such a requirement to highlight the bargaining advantage the banks gain due to the fact that they have some charges that are not covered under the simple annual interest rate formula proposed by Mrs. SULLIVAN.

We have already seen some of this happening in bank credit check plans, where they add 25 cents per check and then advertise only 1 percent per month—not 1½ percent, as they already have part of their percentage on the discount. They can then lower the rate advertised.

What I am trying to tell you, gentle-

men and ladies, is that if you think you are solving the problem of the consumer by going to a simple annual interest rate disclosure, you are simply fooling yourselves. And what is sadder, you are fooling the consumer, too.

MONTHLY RATE ACROSS THE BOARD

This would have the effect of making a 1½ percent charge and a true monthly rate of 1½ percent appear equal. Thus, it would be to the advantage of those applying the charge, in the most expensive way to the consumer.

Even so, it is a better system than annual rate across the board, for the simple reason that any differences in effective rates will be magnified 12 times on the annual basis. For this reason, it is harder to make a case against monthly rate across the board than annual rate across the board.

Monthly disclosure across the board has the support of most high-cost lenders, as well as a number of others who support the committee position, but feel they cannot make a dramatic case against monthly disclosure and do not want to appear obstructive.

The concept of a monthly rate is a reaction to the argument for annual rate comparability. It provides comparability while still avoiding disclosure of high annual figures. This approach was sponsored in a sincere effort to find an equitable solution.

THE COMMITTEE POSITION

The revolving sellers who contend that their practice of billing against the adjusted monthly balance does not produce an annual rate approaching 18 percent per year support the committee bill.

Many others who use a system similar to Sears, who qualify for the exemption granted by the committee and who are willing to defend their rationale for using the beginning balance system, support the committee.

Most small independent retailers with revolving credit support the committee bill because they feel they do not have the advertising resources to explain away the nominal rate should annual disclosure across-the-board pass. They operate in communities where customer goodwill is important to them, and fear that if they start saying 18 percent their customers will become convinced they are actually getting an 18-percent yield.

I offer this detailed and pungent description of the situation to make it abundantly clear that this bill is vital, and I mean that literally, to the parties concerned, and to evidence that no one of these groups is moved by altruism on this gut issue. All are forwarding their own narrow interests. For this reason I propose that we turn our backs on this self-serving chorus in seeking a bill which offers a well founded and balanced approach to the issue.

DECIDING THE ISSUE

Clearly, the Congress will not decide this issue based upon the number of telegrams received from each respective interest group or the poundage of impasse pleas encompassed in letters prodding to tell the whole truth about truth in lending. The Congress, more spe-

cifically, the House, today and tomorrow will decide the fate of the much needed and long-overdue truth-in-lending bill. Let us look back on almost a decade of deliberations to see what lessons can be learned from the past disappointments and failure to secure the much needed truth-in-lending package. It shall be my purpose during this debate to push for an approach, the committee approach, which I believe is basically sound, both from the standpoint of the consumer and the creditor. I will forward this approach knowing that no one, neither debtors nor creditors, will be fully satisfied with the committee version. I think this fact commends the bill to you. We have not as a committee catered slavishly to the interests of any group. We have, instead, sought to fashion a compromise on the fundamental issue of revolving credit which has so long divided this Congress and blocked noble efforts to secure enactment of this legislation.

It is not my contention that we are today writing a bill which can be etched in stone to be preserved for all time; that we are capable of foreseeing at this time any of the problems which are as yet unknown. Consumer credit is a burgeoning field which will require constant attention.

COMMISSION ON CONSUMER FINANCE

Mrs. SULLIVAN made a very important statement when she said that the part of her bill that sets up the Consumer Advisory Council may be, in its far-reaching aspects, the most important part of her bill. I think this commission ought to start its study by investigating the question of revolving credit.

What are the actual experiences of the marketplace? Not the beliefs that are held in the minds of some of our idealistic theorists. It is not what their theory is that is important; it is what is happening that is important.

What I am afraid is that we are going to vote on this simply out of our prejudices, following this banner or that banner, and never having addressed ourselves to the core of the problem that the consumer must face in a very complex marketplace.

Very few people understand this particular problem. I am sure it will take us some time and a lot more study before we understand it sufficiently to warrant putting a statute on the books dealing with it.

It is important that we do not put a legislative gloss over the issue of revolving credit. We must not cover over the issue making it impossible to get at it again for many years to come. Let us face this thing as it has now been faced by the committee, realizing that we do not have perfection. But when did we? We need much more study and much careful deliberation before we decide. It is my firm conviction that we would be serving no good end by rejecting the committee position on revolving credit.

IGNORED: THE BASIC ISSUE

The deplorable result of the almost total preoccupation with this single issue of revolving credit has been the obfuscation of a more basic inquiry into the question of yields and competitive posi-

tions of the parties involved. Much of the posturing and sloganizing which has been going on may be attributable to desire to obscure this level of inquiry. We should be seeking to give the consumer information on the quality of the marketplace in which he operates. We should answer the question: Can the cost of credit be justified to the consumer? Instead, we have allowed the debate to take a turn which plays into the hands of those most nefarious groups who have the most to gain from obscuring the issue and who, judging from their performance on the State level, have the most creative ability in finding ways of complying with only the letter and not the intent of the statutes.

I would hope that this more fundamental inquiry would not long be neglected.

Mr. PATMAN. Mr. Chairman, I yield 1 additional minute to the gentleman in order that he may answer a question from the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, is the amendment of the gentleman from California [Mr. HANNA] commonly known in the trade as the Penney amendment because it was offered to the Senate originally by Penney's to tailor this requirement to their own credit system?

Mr. HANNA. Mr. Chairman, the gentlewoman from Missouri [Mrs. SULLIVAN] may be correct. I do not know what my amendment is called in the trade, but I would remind the gentlewoman that when she came to me and asked me to go along with this bill, I told her at that time I did not think I could support her bill, because I did not agree with it. I had not talked to anybody except my own conscience at that time, and that same conscience has been my sole base of reflection since that time.

I do not care what people call it. I am just telling the truth as I see it. If I am wrong and it would not be the first time, I will have only myself to blame. But that I am sincere and honest in my intentions I hope the gentlewoman will believe.

Mrs. SULLIVAN. Mr. Chairman, I am not saying the gentleman got it from Penney's, but it was the Penney amendment to this bill.

Mr. HANNA. Mr. Chairman, I understand Penney's is supporting this bill because the Penney rate falls below 18 percent. I have told the gentlewoman that, and that is the truth as far as Penney's is concerned. But this is no more the Penney amendment, than is her position the Spiegel position.

Mrs. SULLIVAN. Mr. Chairman, is there any reason why Penney's cannot tell their customers the distinct and unique advantages of its credit system?

Mr. HANNA. Mr. Chairman, there is no reason why Penney cannot tell the advantages they are giving their customers, but the danger is that the gentlewoman from Missouri [Mrs. SULLIVAN] will by virtue of her blanket approach on revolving credit be providing a cover for a lot of people who will not have to explain what their situation is.

That is exactly what I am trying to tell the House. That is the issue in this debate. Should those whose effective rate on revolving credit is less than 18 percent

be required to say their rate is 18 percent while their competitions also disclosing 18 percent might, in fact, be getting a yield of 45 percent. I hope the gentlewoman can see that.

Mrs. SULLIVAN. Mr. Chairman, if the gentleman will yield, every giver of credit must explain how his credit charges are made, and he has the privilege of saying where they charge, at the beginning of the month or the end of the month, and so forth.

Mr. HANNA. Mr. Chairman, the bill of the gentlewoman [Mrs. SULLIVAN] does not require and, under the information we have now, probably could not require the effective interest rate and what charges really are in dollars. Until we have that, we cannot have truth in lending.

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

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

Mr. HALPERN. I yield to the gentleman from Florida.

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

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

There was no objection.

Mr. GURNEY. Mr. Chairman, I would like to add my support to a much-needed amendment to the truth-in-lending bill. The Sullivan amendment would remove the exemption of revolving credit facilities from the bill's general requirement of annual disclosure of credit rates. The amendment is needed to remedy the inequality of treatment given to the various institutions providing credit benefits. The consumer deserves nothing short of full disclosure of what he is being charged for credit.

Groups in my own State of Florida have expressed overwhelming support for the amendment. An excellent example of such support comes from the American Association of Retired Persons and the National Retired Teachers Association who have even been concerned about protecting their members in the purchasing power of their retired dollars. They have been in the forefront of the battle for truth-in-lending legislation. I would like to read to you their telegram:

The Legislative Council of the National Retired Teachers Association and the American Association of Retired Persons, representing over 1 1/4 million concerned Americans, urges you to support Congresswoman Sullivan's fight to include revolving credit and all transactions, regardless of the amount of the finance charge, in truth-in-lending bill (H.R. 11601) on an annual percentage rate basis.

Also expressing support for that amendment are many, many individual citizens, many consumer groups, and great numbers of Florida banks.

It is vital that the American consumer know in what degree he pays for the credit which he receives. He should be given full opportunity to compare the terms of facilities offering that credit. He is unable to do this if the credit information is not required on the same percentage basis for all institutions.

I request passage of this crucial amendment.

Mr. HALPERN. Mr. Chairman, I rise today with mixed feelings. I am enthusiastically pleased that this issue has finally come before the House. But I sincerely regret that H.R. 11601 is coming before us, with two undesirable weakening amendments which I, and other of our colleagues are discussing during this debate.

We have waited a long time for this legislation and many of us have worked for years to shape an effective bill aimed at the core of credit abuses. I know I for one have been identified with this issue since Senator Douglas' original bill, which I introduced in this House 8 years ago. The distinguished chairwoman, the gentlewoman from Missouri [Mrs. SULLIVAN], and others on the committee, who labored hard and long to develop meaningful consumer legislation deserve the highest praise and I wish to personally extend my heartiest commendation to this able and fine lady for her determined efforts to win the broadest, most effective bill possible.

I am privileged to have been identified as a coauthor of the original draft of H.R. 11601 and to have added an amendment which the committee adopted and which I believe makes an important phase of this legislation more equitable and workable. I will discuss that later. I only regret that certain other amendments did not tend to improve the bill, but rather drastically weakened it. To be specific, I strongly oppose the committee amendments to exempt revolving credit accounts and the so-called small transactions from requirements to disclose credit charges in terms of an annual rate. These two amendments, in my opinion take the guts out of this bill. I fervently hope they will be rejected by the Committee of the Whole.

Mr. Chairman, consumer credit has been increasing rapidly in recent years; consumer credit outstanding rose from \$56 billion in 1960 to \$95 billion in 1966. Imagine that, Mr. Chairman, \$95 billion. This credit is essential to the growth of our modern economy; it finances a large part of consumer purchases of durable items as well as nondurable goods and services.

Yet, although the availability of credit has provided a valuable convenience to the consumer, it has also subjected him to great confusion with respect to the cost of this credit, the relative value of alternative sources of credit, and the comparative benefits of credit relative to cash purchases.

The purpose of this legislation is to require creditors to disclose the entire cost of the credit they offer in terms which are understandable to the average consumer; the original bill put before the committee was designed to require disclosure by all credit sources in a uniform fashion, so that the consumer might easily make comparisons between alternatives, and make his purchases on the basis of rational decisions, not haphazard and confused guesses, as to relative costs.

Yet, the ability of the consumer to make these rational choices will be severely diminished if the exemptions of

revolving credit and \$10 credit charge transactions from annual rate disclosure are allowed to stand. When faced with a decision on whether to make a purchase on a revolving credit account or to obtain a bank loan and then make a cash purchase, the consumer will be deprived of the one essential piece of information he needs to make a comparison: the percentage rate of his credit cost. With the bank loan charge stated in terms of an annual rate, and the revolving credit charge in monthly terms, how can the consumer choose the best alternative?

Similarly, how can we justify supplying the consumer with the annual rate charged on transactions with credit charges of more than \$10, and withholding this information on all transactions with lower credit charges. We must bear in mind, Mr. Chairman, that an item with a credit charge of \$10 is one with a total price of around \$100. We are thus eliminating all purchases of \$100 or less from the requirement to disclose an annual rate of credit cost. Such items comprise the major portion of a low-income consumer's budget. How then are we helping this segment of the buying public make rational choices or comparisons in his purchase plans? These are the people who most need the protection of consumer credit legislation. They are the last ones to be excluded as the amendment would do.

Throughout our hearings, Mr. Chairman, some have maintained the impossibility of presenting an annual rate on revolving credit accounts, and have piled mystery on top of complexity to thoroughly confuse the issue. I maintain, and shall further explain when we discuss these amendments, that a revolving credit charge account is no more complex than a bank savings account, and if an annual rate can be presented for the latter, it can as easily for the former. I similarly submit that the logic behind the so-called small transactions exemption is no more valid, and that, to preserve the integrity of this consumer protection legislation, both of these amendments should be rejected.

H.R. 11601, as originally written also contained a complete prohibition against the use of wage garnishment for debt collection purposes. Various highly reputable witnesses presented testimony during hearings on the bill which dramatically demonstrated the great personal hardship wrought by excessive use of garnishment as a collection instrument. Evidence was also cited which indicated incontestably the causal connection between the employment of wage garnishment and the alarming rise in the level of personal bankruptcies.

Yet a total prohibition of garnishment might justifiably be regarded as a denial to the creditor of his right to collect legitimate claims against a debtor. Thus, I have proposed an amendment which will not prohibit, but will limit the use of garnishment; this amendment should both mitigate the often calamitous effects of garnishment on the debtor and yet not interfere with the legitimate rights of the creditor.

The amendment would restrict garnishment to 10 percent of a debtor's in-

come above \$30 per week; exempt from this restriction would be claims for Federal or State taxes, or for family support. The amendment also prohibits an employer from firing an employee on the occasion of one garnishment of his wages; this provision would go far toward relieving one of the greatest burdens of garnishment, the vicious spiral of economic hardship followed by unemployment, crowned by the inability to find other employment due to a poor credit record.

Mr. Chairman, I would like to conclude by reiterating my unwavering support for strong consumer protection legislation. I believe that the disclosure provisions contained in H.R. 11601 would perform a valuable function for the consumer and for the economy as a whole, by enabling the consumer to make rational choices among credit charges presented in a truthful and uniform fashion. I maintain that we will be doing the consumer and the economy a disservice by exempting specific types of credit from these uniform disclosure provisions. And, I submit that the evidence demonstrates that a Federal law regulating the use of wage garnishment is urgently needed, and should be enacted at this time.

Mr. Chairman, I wish to reiterate my strong support of the principle behind this legislation and trust that this committee, in its wisdom, will remedy the weaknesses currently in the bill; namely, the revolving credit and small transactions exemptions. I believe that this must be done in order to protect those most in need of the aid intended by this consumer credit legislation.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. HALPERN. I gladly yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, I just want to take this opportunity to congratulate the gentleman from New York [Mr. HALPERN], for the great work and great help he has given us during this entire time of the consideration of this bill. As I said at the beginning, we hope that this will be a nonpartisan effort, and he has helped to make it nonpartisan. He has done a great deal of good all through this country. I want to thank him for it.

Mr. HALPERN. I thank the gentlewoman for those kind remarks.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentlewoman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, we have before us today for consideration one of the most significant legislative proposals of the 90th Congress. Truth in lending will directly affect a large portion of our economy as well as millions of our citizens.

The need for strong Federal consumer credit legislation is crucial, particularly to protect the unsuspecting consumer who does not look behind the price tag and promise of easy credit terms.

H.R. 11601, as reported out of committee, will be a significant first step toward alleviating the credit abuses. It will diminish appreciably the discrepancy in bargaining power between the seller and the buyer.

However, in its present form, the bill contains two undesirable exemptions. The first of these is a "revolving credit" exemption written into the bill in committee. This exemption would allow the large department stores, mail-order houses, and others who use "revolving credit" to express credit charges on a monthly rate rather than the annual rate disclosure required for other mercantile establishments. Such an exemption is unfortunate since the purpose of truth in lending is to require all credit charges to be computed and disclosed using the same system to enable the consumer to compare credit charges of different sellers. With the exemption, the consumer will not be afforded the full protection since "revolving credit" will be computed on a yearly basis.

The second exemption makes it unnecessary to disclose on a percentage rate basis—monthly or annual—any transaction, other than the open-end transaction, in which the credit service charge does not exceed \$10. This would enable the neighborhood lending agencies to charge \$10 a week or less on a loan by constantly refinancing the obligation.

The yearly interest rate on such a loan could be as great as 520 percent. This exemption will militate against the poor consumer who frequently borrows from the neighborhood lending agency because of his lack of credit standing. If this legislation is designed to protect the consumer from abusive practices of the creditor, the \$10 exemption must certainly be eliminated. Small loans with exceedingly high interest rates are one of the more prevalent abuses. This predatory practice must be stopped.

The absolute necessity for strong Federal legislation in the consumer credit area has become increasingly obvious upon a review of the current efforts of the National Conference of Commissioners on Uniform State Laws. They are in the process of drafting a comprehensive uniform consumer credit code that hopefully will be adopted by all 50 States. They anticipate having a finished product before State legislatures by the beginning of the 1969 terms.

I welcome their efforts; however, so far, although quite elaborate, their proposed code lacks the strong remedies necessary to truly benefit the consumer. In fact, only in their last working draft, that is, this sixth draft, has the beginning of an effort to strengthen the code been made. This strengthening obviously resulted solely from a fear, on the part of the drafters, of Federal preemption, since the new sections, for the most part, are merely identical remedies to those contained in pending Federal legislation.

The commissioners have a tremendous opportunity to protect the consumer by providing the basis for uniform State legislation. I certainly hope they will continue their fine work in this area and strengthen their code so that it will not be necessary for the Federal Government to penetrate further into the consumer credit field in its vital role of safeguarding the rights of our citizens.

With the phenomenal growth of the use of credit in our society, it is imperative that the consumer be protected as

fully and as soon as possible. Therefore, I strongly urge that the revolving credit and \$10 exemption loopholes be closed and favorable action taken on H.R. 11601.

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

Mr. WOLFF. Mr. Chairman the consumer credit protection bill, H.R. 11601, is an excellent bill as far as it goes, but it does not go far enough.

As it stands, H.R. 11601 excludes disclosure of annual interest rates under revolving credit and service charges \$10 and under.

These omissions make the bill a halfway measure that will be even more meaningless in years to come.

Seven years ago, revolving credit accounted for only 2 percent of all outstanding consumer credit. Today, it accounts for 5 percent of credit sales—about \$5 billion. By 1970, it is estimated that revolving credit will account for nearly half of all consumer credit sales, or about \$50 billion at today's rates.

I do not think we want to pass a bill that will scarcely be worth the paper it is written on a few years from now.

I also wish to go on record in support of full annual interest disclosure on carrying charges or service charges of \$10 or under. Exclusion of this provision is unrealistic as well as impractical. First, it deprives the buyer of his right to know; second, it discriminates against those businesses which provide full disclosure, and third, it hits hardest at those who can least afford it, the poor.

I see no reason why we cannot pass a bill that gives fair and equitable treatment to everyone, and I urge defeat of any amendments that weaken it.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, I urge that H.R. 11601 be strengthened to include full disclosure of annual interest rates on finance charges of \$10 or under and on revolving credit accounts. Without this inclusion we are encouraging discrimination.

We are giving preferential treatment to certain businesses by exempting them from interest disclosure required of their competitors.

We are keeping from the buyer the information he is entitled to when he makes any kind of a purchase, whether it is a \$25 tire for his car or a \$300 television set.

A man purchasing a \$25 tire with a carrying charge of \$5 for 60 days actually pays an annual interest rate of 120 percent.

A woman buying a \$75 baby carriage with a carrying charge of \$10 for 90 days actually pays an annual interest rate of better than 50 percent.

One of the four rights of the consumer is the right to know. He has a right to know how much annual interest he is paying on a purchase, regardless of the kind of transaction involved in that purchase.

Full disclosure of credit charges should mean full disclosure. It should not mean

disclosure for one type of credit and veiled interest rates for another.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. DANIELS].

Mr. DANIELS. Mr. Chairman, one of the most vital pieces of consumer legislation in recent years—truth-in-lending—is before us today. We must take full advantage of this important opportunity to enact such needed legislation by voting for a strong truth-in-lending bill that leaves no doubt whatsoever to its adequacy of protecting the consumer from deceptive and unscrupulous lenders, or those that deal in duplicity.

Let me say at the outset that the case for truth-in-lending legislation is more compelling today than ever before. Consumer credit has become more and more an integral part of the American way of life. Since 1960 the total of such credit—excluding mortgage credit—has risen some 69 percent to an all-time high of about \$95 billion, or almost \$500 for every person in the United States.

The benefits of credit in our way of life are clear, for it permits a family to enjoy a standard of life beyond its current savings and income. But its dangers are equally obvious; it can lead to financial ruin and poverty.

To be sure, the American credit-buying consumer knows the goods he is buying and their price. But the trouble is that the consumer is rarely aware of the dollar cost or the annual percentage rate paid for the use of credit. No one disputes that this lack of knowledge is a major contributor to the abuse and misuse of credit.

The reason for the lack of knowledge about the true costs of credit stems largely from the varying and confusing manner in which credit costs are stated. The array of practices defy comprehension of even the most intelligent citizen. For example, one finds such practices as add-ons, sales price versus cash price, discounts, term price differentials and differing service charges. And under these practices, arithmetical spookery abounds.

From all of this, then, there is little wonder why there has been a rising tide of consumer bankruptcies. Bankruptcies, in fact, have risen faster than consumer debt—80 percent since 1960. There were nearly 176,000 consumer bankruptcies in fiscal year 1966, and the estimate for this past fiscal year is 188,000.

In view of the increasingly widespread use and misuse of consumer credit, it has become increasingly clear that consumers must be given basic and comparable information on what credit costs them and in easily understandable terms.

The major question before us is whether we will ensure that the consumer has this basic and comparable information on all types of credit or just some. At the heart of this question, of course, is the controversial issue of whether to require department and retail stores to disclose the annual interest rates on their revolving credit plans, or permit them to state such rates on a monthly basis as is currently the practice.

Mr. Chairman, the resolution of this issue is very simple in my opinion. If we

are to meet our rightful commitment to the adequate protection of the American consumer, we must and I repeat must, require all credit costs to be expressed on an annual basis. Anything less would flagrantly compromise the whole purpose of the bill before us, and amount to a sell-out by us of the consumer's interests.

The whole purpose of H.R. 11601 is to assure that the consumer has clearly understandable and readily comparable information on the various types of consumer credit proposals so he can then best decide which offer is the better "buy." Revolving credit is one type of consumer credit and, therefore, should be covered by H.R. 11601.

Let us examine for a minute what is involved in this revolving credit controversy. Exclusion of revolving credit from the Consumer Credit Protection Act would allow department stores and others using such credit to continue to state their credit costs at a monthly rate of some 1½ percent, instead of 18 percent on an annual percentage rate basis that everyone else would have to use. To allow this exception would be, to my way of thinking, nothing short of discriminating against certain kinds of lenders in favor of others.

Furthermore, I repeat that the object of this legislation is to afford an opportunity to the consumer to be able to compare the costs of one credit offer with another, using comparable terminology. To allow some lenders to express their borrowing costs one way, and others another, would be completely unfair and cannot be sanctioned if we want to properly protect the consumer.

As the able chairman of Consumer Affairs Subcommittee, the gentlewoman from Missouri, LEONOR K. SULLIVAN, has said:

Testimony before our Subcommittee . . . showed that most consumers believe a monthly rate of 1½ percent on credit charges is very low. In shopping for credit, they almost always choose such a rate in preference to one of 18 percent a year. Of course, they are the same rate, but the customer does not realize it.

Mr. Chairman, it is for these reasons that I urge my colleagues to give close and careful consideration to this important piece of consumer legislation, and strongly urge them to cast their vote for an adequate and equitable truth-in-lending bill—one that covers revolving credit.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Rhode Island [Mr. TIERNAN].

Mr. TIERNAN. Mr. Chairman, the consumers assembly which met here in Washington last fall has demanded full disclosure on all service charges of \$10 or less on any single transaction, and I support this demand.

Exemption of this disclosure from the consumer credit protection bill, H.R. 11601 amounts to exempting the poor from information they should have when buying on time because it is the poor who usually make small purchases on the installment plan. It is the poor who cannot afford to pay cash for a \$25 or \$50 item. And it is the poor who usually wind up paying more in service charges.

With your permission, I would like to insert into the RECORD the statement made by the consumers assembly, 1967, which appears in a pamphlet:

Poor PAY MORE

As written, the Consumer Credit Protection Act exempts from annual interest rate disclosure all service charges of \$10 or less on any single transaction.

This exemption hits hardest at the poor who purchase \$25, \$50 or even \$100 worth of goods on credit.

The annual interest rate equivalent for a \$6 service charge on a \$36 purchase repayable over six months is about 55 percent. At the least, the purchaser has a right to know.

The \$10 exemption is an open invitation to the unscrupulous seller to break larger purchases into several transactions. It is an invitation to questionable practices.

There is no valid reason an annual rate cannot be disclosed on any consumer credit transaction.

The American consumer deserves an even break through full disclosure. The law should provide no less, and committee amendments which weaken the bill should be defeated.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. MOORHEAD] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. MOORHEAD. Mr. Chairman, the consumer credit protection bill, H.R. 11601, should mean what it says—not protection here and there, but protection on all forms of credit. Today we have a chance to give the consumer a credit disclosure law without strings and without loopholes. If the consumer is to get the facts, let us see that he gets all the facts—not an annual interest rate from one lender, a monthly rate from another, and no rate for service charges \$10 or under.

If the bankers can live with it, if the loan companies can live with it, if the installment stores can live with it, the retailers with revolving accounts and others with straight carrying charges will find a way to live with it. Why give one group a competitive advantage over the others by exempting it from the annual percentage rate provisions of the truth-in-lending bill? Let us tell the consumer what it really costs to borrow money or use credit, regardless of where he gets it.

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

Mr. HUNT. Mr. Chairman, any old truth-in-lending law is not enough for this country. This Nation has to have a truth-in-lending law that is fully adequate and effective.

And to be fully adequate and effective, truth in lending must cover revolving credit accounts—that type of credit where a customer may keep adding to his purchase while paying off the balance.

It is neither good, fair, nor proper to have truth in lending cover all major credit transactions, but exempt those under revolving credit as the current legislative proposal would have it.

I have several reasons for my view. First, revolving credit, while small in

relation to other types of credit is growing rapidly. Second, exempting revolving credit from truth-in-lending coverage would further stimulate its growth for it would be substituted for other types of credit. Lastly, exempting revolving credit would be unfairly discriminatory, favoring revolving credit lenders over non-revolving credit lenders.

Mr. Chairman, for the life of me I do not understand why there is the belief that revolving credit is so special that it requires exemptive treatment from truth in lending. What is involved, to my way of thinking, seems fairly simple.

Interest charges on revolving credit generally are stated on a monthly basis of about 1 1/2 percent a month. This works out to 18 percent a year. It is no wonder then why anyone selling on revolving credit such as retailers and department stores would be reluctant to have to state their interest rate on an annual term.

Mr. Chairman, the American consumer is entitled to know what his interest charges are on all types of credit transactions according to a simple standard method of stating credit. For this is the only way he can intelligently compare prices on what his money is costing him.

If the consumer is going to pay 18 percent interest a year let him at least have the full opportunity to know it. He may very well make the choice to do so figuring it is worth the shopping convenience.

The point, however, is this: The consumer ought to know approximately what credit is costing him in comparison with what it might cost him from other sources.

The simple truth is that if we are going to make the Consumer Protection Credit Act a fully effective law, we must include revolving credit transactions under its coverage.

I remind my colleagues that our job is to help and protect the American consumer. If we are going to do this job properly we must have strong and effective truth-in-lending legislation. This objective can only be achieved by voting for a bill today that covers revolving credit. I strongly urge you to do so.

Mr. WIDNALL. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. WILLIAMS].

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, I regard H.R. 11601 as an excellent truth-in-lending bill and an excellent consumer protection bill.

Mr. Chairman, we must make absolutely certain that anything that is passed in this House of Representatives will provide for truth in lending and provide for the protection of the consumer.

Mr. Chairman, I am in favor of the disclosure, the full disclosure, of annual interest rates any time that an annual interest rate can be computed in advance of the transaction. However, we have to recognize that with reference to some types of credit transactions it is not possible to compute the annual interest rate in advance.

Mr. Chairman, we have heard today that some strange and wonderful things have been happening. In the last few days these strange and wonderful things have indeed been happening. However, I want you to know that the strange and

wonderful things that have been happening represent, in my opinion, a concerted effort to get this House of Representatives and to get this Congress to approve an 18-percent annual interest rate for credit. This strange and wonderful thing that has been happening has not been motivated as the result of any concern for the consumer, however, just the opposite is true.

Mr. Chairman, I am very happy that some of these large, some of these gigantic, retailers have come out against the provisions as contained in this bill as they pertain to revolving charge accounts, which are simply open-end credit accounts. I say this because it points up the fact that these people regard this bill as protecting the consumer to too great an extent. This is why these people have come out against the provisions of this bill. This is why they want the Sullivan amendment, and why these people are against the provisions of H.R. 11601.

They are against it because they cannot come under the provisions for open-end credit. They have got to come under the provisions for installment open-end credit.

Under installment open-end credit the merchant is forced to disclose the annual interest rate in advance.

Mr. Chairman, here are the provisions of H.R. 11601 which provides for this installment open-end credit plan, and remember, this is the type of plan under which disclosure of annual interest rates must be made and an installment open-end credit plan is one which has one or more of the following characteristics:

First. Creates a security interest in, or provides for a lien on, or retention of title, to any property—whether real or personal, tangible or intangible.

And, this is important—

Second. Provides for a repayment schedule pursuant to which less than 60 per centum of the unpaid balance at any time outstanding under the plan is required to be paid within 12 months, future payments in the order of their respective due dates.

Mr. Chairman, these people do not want 60 percent of the amount paid within 1 year. They want to stretch it out over a period of 2 or 3 years. This is what they are afraid of as under this provision they will not be able to have plans for periods of 24 months or 36 months so that they could collect additional interest.

Mr. Chairman, we have heard some discussion here today as to why it might be difficult to figure the annual interest rate on a revolving charge account.

I say to you that it is impossible to figure in advance the annual interest rate on such an account.

Mr. Chairman, I want to read to the Members of the Committee two paragraphs from a revolving charge account contract of a moderate-sized department store, not one of the national giants:

First. I may choose to use this account as a 30-day charge account by paying the total indebtedness within 30 days of the receipt of a bill without credit service charge for that month, or I may choose

to pay the annual balance of my account monthly upon receipt of a bill according to the terms of this agreement, that is, one-third of my balance but not less than \$20 or whichever amount is greater—if the balance appearing on the statement is less than \$20, the full amount is due and payable—and to pay a credit service charge at the rate of 1½ percent on monthly balances of \$500 or less, and 1 percent of any amount in excess thereof, on scheduled fixed amounts within \$5 of the exact balance.

Obviously, Mr. Chairman, that cannot add up to 18 percent a year.

Now, I say this to you. There is no sixth-grade mathematics student in this country who can compute in advance the annual interest rate under those conditions. I want to say to you further that the world's greatest mathematicians could not compute in advance the annual interest rate on this type of transaction.

We have heard a lot about Penney's, and something in the bill was referred to as a Penney amendment. Many stores apply a 1½-percent interest charge on the balance of the previous month if the balance is not paid off in full. So if you have a balance at the beginning of June of \$100, and it is not paid off in full, when you get your July bill you have a \$1.50 interest rate applied. You are paying \$1.50. On the other hand, J. C. Penney applies 1.5 percent interest to the balance at the end of the month, so that if \$50 is paid off during the month of June, when you receive from J. C. Penney your invoice at the first of July, you have a 75-cent interest charge.

Now, under this bill, the way it was originally written, Penney's or anybody else that applied a 1.5-percent interest rate to any part of a balance would have been required to say 18-percent annual interest. So that even though Penney's was not getting anything like that, they would have been forced to say 18 percent.

That is one of the points Mr. HANNA was making, that under this bill people who do not give the consumer the benefits that they should be entitled to would be placed under the same umbrella as the stores that charge a higher interest rate.

Now, during the hearings before the Committee on Banking and Currency this morning on another bill I was handed a copy of a telegram from a Cyrus T. Anderson to Congresswoman SULLIVAN. Mr. Anderson is the Washington representative for Spiegel's, Inc., which is a subsidiary of Beneficial Finance Corp., and Spiegel's is one of the largest houses in the country.

In this telegram Mr. Anderson went on record as opposing H.R. 11601 as presently written concerning the definition of open-end credit, and states that it would discriminate against Spiegel's, and he is quite right, and I will cover that point a little while later.

I know many Members of the House are confused about who is on which side. I have received letters and telegrams from small loan companies who have historically opposed any sort of truth-in-lending legislation at all and they oppose H.R. 11601. Many of these small loan companies charge excessively high

interest. I have received letters and telegrams from automobile dealers, and they too have historically been in opposition to any type of truth-in-lending legislation.

I have received some communications from banks saying that this legislation is discriminatory, but this legislation does not discriminate against 95 percent of the banks in the country. It discriminates only against those banks that have bank credit cards, and it discriminates against them because their repayment schedule is drawn out over too long a period, and under this bill they would be forced to disclose the actual annual interest rate that they are charging.

And then, of course, I am quite certain that if Senator Douglas was still on the scene he would be absolutely amazed that Spiegel's is now supporting in some way some amendment to this bill because Spiegel's has worked strenuously, ever since truth-in-lending has been proposed before this Congress, against any kind of truth-in-lending legislation.

Now, with final action inevitable, Spiegel is saying "treat us all alike"—"treat us all alike." They want everybody pulled in under the umbrella of their high interest rates.

I hold right here in my hand a direct mailing piece that is sent out to get people to make small loans. This is the opening sentence:

Please accept this special invitation for a loan from Fairfax Family Fund—

I thought that "Family" was a very good touch.

As I say, it reads:

Please accept this special invitation for a loan from Fairfax Family Fund Incorporated, a subsidiary of Spiegel, Incorporated.

It goes on to say:

You can have \$600 in a small loan.

It says:

You can get ready cash by mail when you need it for any purpose. You do not have to go to an office. We will send it to you by mail.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LLOYD. Mr. Chairman, I yield 3 additional minutes to the gentleman.

Mr. WILLIAMS of Pennsylvania. Right here on the repayment schedule for this loan from Fairfax Family Fund, Inc., the repayment schedule shows very clearly a 30 percent annual interest rate.

So it is very little wonder that Spiegel's wants everybody to be treated alike at this time.

Those who support the committee language are primarily people like J. C. Penney who are giving the consumers a break right now plus many very small retailers.

I have explained to you the difference between the adjusted balance system that is used by Penney's in placing interest on the balance at the end of the month and the system used by Spiegel's and many other stores where the 1.5 percent a month interest may indeed add up to 18 percent annual interest and such information would have to be disclosed under section 203(d)(5) in this bill. This is why Spiegel's and others are now opposing the provisions of this bill.

I would like to close with just this statement. Here is the whole story in a nutshell.

The question before us this afternoon and the question that will be before us tomorrow is, Is the House going to respond to the tune that is being played by some huge department stores and to the tune being played by some small lending companies and others who will have their credit operation protected and shielded by a national interest rate of 18 percent annually?

I urge you to support the provisions of the bill, H.R. 11601, which will prevent this.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Pennsylvania. I yield to the gentlewoman.

Mrs. SULLIVAN. I would just like to comment on one thing that the gentleman said. I think you said that 95 percent of the bankers are not affected by revolving credit.

Mr. WILLIAMS of Pennsylvania. I said that the banks that would be discriminated against by this legislation are the 5 percent of the banks in this country that are using bank credit cards.

Mrs. SULLIVAN. I think the gentleman is completely wrong on that, if I may say so in my judgment, because all of the banks that make any loans to anybody are going to be affected by having to show an annual and disclosed rate.

Mr. WILLIAMS of Pennsylvania. That is exactly right. But let me say this to you, that the fact of the matter is that most of the transactions in which the banks engage in this type of credit would come under the installment open-end credit plan and they would be forced to disclose the annual interest rate anyhow.

Mrs. SULLIVAN. May I say, yes, that is true in this type of credit. But what they are talking about, as to discrimination, is all of these other loans that they make to finance cars and to finance mortgages and they would be discriminated against if they had to show an annual rate and the department stores do not.

Mr. WILLIAMS of Pennsylvania. Under this bill, anyone financing automobiles or home mortgages or anything of that nature would be forced to disclose the annual interest rate. That is in the bill as it now stands.

Mr. LLOYD. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Chairman, today you have heard arguments for annual disclosure of interest rates for everyone, and they sounded persuasive. Just now you have heard arguments as to why revolving credit sellers should be exempted from the annual disclosure provisions, and they are most persuasive. I can well understand if the Members are confused about which might or might not be the best method.

I will be frank and tell you that I sat and listened during 2 weeks of hearings on this bill and I was confused.

I felt in the first instance that there should be a uniform disclosure across the board. Then I heard the revolving credit people come in and point out that

they cannot in truth disclose on an annual basis across the board, that they have a peculiar system. The thought occurred to me, Why has not someone offered an amendment so that everyone could disclose on a uniform monthly basis?

The revolving credit people say they cannot disclose on an annual basis, and everyone is for uniformity. So why do we not have everyone disclose on a monthly rate basis?

I took this idea back to the people in my district who are concerned with truth in lending. The furniture dealers are in favor of an annual rate disclosure. The banks are in favor of an annual rate disclosure. I would differ with my colleague, the gentleman from Pennsylvania [Mr. WILLIAMS], who just talked about banks. I think they are required to disclose across the board on an annual-rate basis, and it is not just 95 percent. I agree with the gentlewoman from Missouri [Mrs. SULLIVAN] on that question.

I also took it up with the small loan people. I took it up with the retailers. In my district they all agreed that this is a proper approach because it provides for uniformity, and it also would allow the consumers to see what the true credit picture is. So, as far as I am concerned the people who support me in my district are supporting this amendment, and I cannot understand why it has not been offered before as a compromise.

The avowed purpose of this bill is to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of terms and conditions of finance charges in credit transactions or in offers to extend credit. This is a laudable aim and purpose, with which I dare say no one in this House will disagree. Certainly I do not disagree with this purpose, and I feel strongly that the consumer needs protection in the area of credit financing. The rapidly increasing number of personal bankruptcies and unintentional defaults on payments indicate to me that credit consumers are unable to determine precisely how much in debt they really are. We have gone overboard, in my judgment, in making easy credit available and encouraging people to buy when they cannot afford it. And yet consumer credit is essential to the U.S. economy.

Last year consumer credit, according to testimony by the Under Secretary of the Treasury, the Honorable Joseph W. Barr, totaled \$95 billion, and this was exclusive of mortgage credit.

The real purpose of this legislation should be to provide some form of credit disclosure for all credit transactions which will be uniform in application with a common denominator so that anyone by a simple statement of credit terms could understand it. The consumer must be informed to the extent that he can make a selection from all credit sources available as to the cheapest or best for his own personal needs.

During the course of the hearings it became evident to me that an array of lending practices, intentionally or unintentionally, are beyond the comprehension of most consumers and only serve to confuse. In testimony relating to credit practices, such terms as "add-ons,"

"discounts," "precompute," "service charges," "finance charges," "interest," "price differentials," "unpaid balance," "first-in and first-out," and others were used which would confuse even the most sophisticated in finance.

Yet, as I said, consumer credit is essential to our economy and is here to stay. I think the system is weakened by the jumbled mass of words connected with it which become gibberish to the average consumer.

So it is both practical and essential that there be uniformity in credit disclosure. With that I agree. House bill 11601 as originally introduced by the gentlewoman from Missouri [Mrs. SULLIVAN] sought to do this. It is to her credit that it was sought. She has been very able and conscientious and has worked hard on this bill. I commend her.

As originally introduced, H.R. 11601 would require disclosure of all credit costs on an annual-rate basis. This would satisfy for closed-end or contract credit, commonly referred to as installment credit. Closed-end or installment credit may be said to be characterized by a schedule of payments provided for in the contract.

But there has sprung up in our economy the so-called open-end credit. It evolved because it is not practical to "loan money" so to speak, to consumers for a specified period of time so they could purchase soft goods or goods with a so-called short "life expectancy." Mostly it is used by large department stores such as Federated, Sears, Montgomery Ward, Speigel's, and Penny's. Yet each of them may use a different form of revolving credit, as we have been told. However, as the gentleman from California [Mr. HANNA] put it, an exception for revolving credit "takes into account the realities of the marketplace." Revolving credit is here to stay. To require revolving credit sellers to disclose on an annual rate basis would require them to do something they cannot do. They cannot be certain that a customer will or will not pay his bill within a month and their charges are quoted on a monthly basis—always with a free period.

The true annual rate, then, will depend upon the timing of purchases and payments. The only true and meaningful method of disclosing the rate on revolving credit accounts in advance is in terms of a percentage per month. Recognizing this difference in types of credit, the bill reported by the committee adopts a dual form of disclosure which would require the majority of lenders and retail sellers to disclose credit costs in terms of annual percentage rates, whereas other creditors would be permitted to disclose finance charges in terms of what might otherwise appear to be a lower monthly percentage rate.

It is section 202(h) which creates the double standard for rate disclosure. This provision establishes two important standards for exempting creditors from the annual percentage rate requirement in revolving credit transactions. They have been mentioned before. In effect, the bill says that creditors who offer revolving credit plans which, first, do not provide for the creation of a security

interest in property; or second, provide for customer repayment schedules in which at least 60 percent of the unpaid balance in the account is required to be paid out within 12 months are exempted from the annual percentage rate requirement and may instead make disclosure on the basis of monthly percentage rates. It has been argued that all extenders of revolving credit could convert to revolving credit today. The small businessman, I submit, cannot convert to revolving credit because the overhead would be too great. I am concerned about the small businessman who does not offer revolving credit to his customers, but who, instead, does business on the basis of traditional equal monthly payment installment credit. Under either one of the proposals here today he is required to make a disclosure on an annual percentage rate basis. It seems clear that he is at a serious competitive disadvantage with the creditor who, because he has a higher volume of business and more sophisticated accounting practices, may offer revolving credit at what appears to be lower monthly percentage rates. There is little doubt that the average consumer will construe a monthly percentage rate of finance charge as being lower and more attractive than an annual percentage rate of finance charge.

It seems abundantly clear to me, then, that the primary thrust of a Federal credit disclosure law should be to establish a uniform standard of credit disclosure which will provide consumers with a single, unvarying test for comparing credit costs which will be uniformly and equitably applied to all creditors and all types of consumer credit. The purpose of this measure is to promote the informed use of consumer credit. How can this be achieved by the enactment of a Federal law which establishes a double standard of disclosure? Clearly, consumers are going to be confused by monthly percentage rate quotations in some cases and annual percentage rate quotations in other cases. The historic thrust of this legislation has been to avoid just exactly this result.

There is logic for recommending the calculation and disclosure of credit charges on a monthly basis, even beyond the discriminatory aspect which I have mentioned. Banks and retail sellers historically have calculated and disclosed revolving credit finance charges on a monthly basis.

Credit unions historically have employed the monthly charge for rate calculation and disclosure. The consumer is billed for and makes payments for purchases and services on a monthly basis. The average American budgets his personal economy on a monthly basis. What is more logical than to require the disclosure of all consumer credit charges in a Federal statute to be on a uniform monthly basis?

It is for these reasons that an amendment to H.R. 11601 should be adopted to delete the double disclosure standard and to substitute in lieu thereof a uniform disclosure requirement which will apply equitably and fairly to all creditors and which will provide consumers with a single unvarying test for measuring and comparing such costs.

I will offer such an amendment at the proper time, and I urge its support.

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

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

Mr. BLACKBURN. I wish to commend the gentleman from Ohio for the fine work he has done in his efforts on behalf of this Nation. I wish to associate myself with his remarks.

Mr. WYLIE. I thank the gentleman.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. HELSTOSKI] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. HELSTOSKI. Mr. Chairman, the moment of truth is at hand.

We are at the point today of deciding whether we will strike a strong or weak blow for the interests of the American consumer. It all depends upon whether we vote for a truth-in-lending bill that either covers revolving credit or does not.

I feel strongly that a strong blow for the interests of the American consumer can only come if we vote to include revolving credit under H.R. 11601, and thus give the consumer the clearest picture and understanding possible of all credit costs.

To my way of thinking it is as simple as that.

How can we justify passage of H.R. 11601—when it does not apply equally and fairly to all credit transactions? It is shocking that H.R. 11601, which is such a practical necessity, creates a double standard by singling out and exempting revolving credit from the disclosure of an annual rate of interest that is required for other credit transactions.

A very large amount of consumer credit purchasing is carried on through the medium of the revolving credit account, and this area is, perhaps, less free from deception in the selling of credit than most other forms of lending.

A majority of revolving accounts carry a true interest rate of about 12 to 18 percent per year. Buyers, however, are led to believe that they pay about 18 percent interest. What buyers do not know and what lenders do not tell them is that the consumers pay 18 times the number of months the credit account is opened.

Merchants contend that it is difficult to compute and state an annual interest rate for revolving credit because of variable balances and time periods. This task may be difficult but it can be done.

We should keep in mind that the very purpose of the revolving credit account method is to keep the consumer's account considerably active—to keep him buying on credit. If merchants find this method of operations so profitable, as it obviously is, they can afford the trouble of disclosing the true interest charges.

Exemption of revolving credit favors the big retailing firm—who does a large amount of business in this way—over the small one. This is unjust and unwarranted. We must rectify the inequitable omission of revolving credit.

The time has come now for us to ade-

quately and completely defend the beleaguered American consumer who buys on credit. For far too long the consumer, in many instances, has been at the mercy of unscrupulous persons who by design have kept hidden the actual cost of items by not fully revealing their true cost when purchased on credit.

The interests of the American consumer can no longer be neglected. His interests need the protection only actual legislation can provide.

Unfortunately consumers are generally unaware of the actual financing charges which they are paying. Financing charges are almost invariably quoted on an add-on basis and are further disguised by additional loan charges, such as investigation fees. Conversion of the information now given to the consumer in a percentage rate is beyond the ability of even the more intelligent consumer.

Although it is true that the great majority of lenders in this country are honest and forthright, we are all aware of abuses, and all of us have received complaints from constituents who have felt cheated and deceived in a credit transaction. It has always been the policy in our great Nation to attempt to protect all people, and so long as deceptive practices are used, although in a small element of the economy, legislation must be enacted to curb the abuses.

Even where deceptive practices are not used, however, it is quite frequent for a lender or seller utilizing the installment sale procedure to eliminate or not use at all any rate of finance charge or interest. This is the easiest way to obscure the cost of credit. Very few individuals can translate the number of payments into an interest rate, and the concept of truth-in-lending will place the burden on the seller or the lender to disclose to the buyer or borrower the approximate rate at the time the transaction is entered into.

The consumer must be made fully aware of the amount of finance charges he is paying, for full information is necessary not only for his protection but for the efficient functioning of any market. Disclosure of financing charges, which truth-in-lending legislation will accomplish, would make the market more competitive with respect to the cost of credit.

The concept of truth-in-lending is a good one. It is not an attempt to regulate rates, but rather an attempt to create truly a free enterprise system by eliminating deceptive and misleading practices, and practices which do not fully advise or inform the consumer. Through competition, as we all well know, our Nation has become great, and the citizens of our Nation have been able to share in its greatness.

Mr. Chairman, I urge all of my colleagues to vote for a strong Consumer Credit Protection Act—one that covers revolving credit.

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

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I am glad to yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. I should like to say

at this time, Mr. Chairman, that without the help of the gentleman from New York during the hearings and all through the discussion of this bill we would have had a hard time to get through and to get through with a good bill. He has been most helpful, and I am very happy we had him on our committee during its consideration of truth in lending.

Mr. BINGHAM. I thank the gentlewoman for those remarks. I was about to say it had been a real pleasure and a privilege to work under her leadership on this measure. The consumers of America are fortunate to have such a spokesman as Congresswoman SULLIVAN. She has fought steadily throughout, from the beginning of consideration of this measure, for the greatest possible protection of the consumer.

I should like to say also it has been a pleasure to work under the guidance of the distinguished chairman of this committee on this measure.

I am pleased to rise in support of H.R. 11601 today and look forward with real anticipation to its passage.

The American consumer is finally finding his political voice and learning to exercise his political muscle effectively. It is a most welcome development, indeed, which is bringing about enactment of measures—such as the truth-in-packaging bill, the National Product Safety Commission, the Meat Inspection Act—which have long been needed to give the consumer both the product safety and the product information to which he is entitled.

It has long been recognized that the average buyer suffers greatly from a lack of information and understanding in the field of consumer credit financing. As our economy prospered, and disposable personal income reached new heights, the use of consumer credit rather than cash for financing the purchase of desired articles became a well-accepted practice for most families. The outstanding total amount of consumer credit soared from \$5.6 billion in 1945 to \$95.8 billion in 1967. The annual interest and service charges on this debt currently cost American families more than \$13 billion a year.

But as rapidly as the amount of consumer credit expanded, so did the opportunities for deception, misleading interest rates, hidden charges, and all manner of gimmicks and come-ons designed to prevent the buyer from figuring out how much he would be paying for the financing of his purchases. Costs were stated in such a confusing manner, and for such disparate items, that it became impossible for even the well-educated consumer to compare credit costs between a discount house and a department store. For the unsophisticated, the timid, the poor who never ventured out of their own neighborhoods, it was a field day for any fast-talking salesman who spoke in terms of only \$12 down and \$3 a week.

The abuses and calculated confusions of those who extend consumer credit have been well documented ever since Senator Douglas conducted his first eye-opening hearings 7 years ago. The 2 weeks of official Banking and Currency Committee hearings this year, plus the

testimony Congressman HALPERN and I heard in New York City, provide even more convincing proof of the need for adequate legislation to protect the many unwary consumers who enter into long-term credit contracts they never really understand. The President tersely summed up the situation in his consumer message to the Congress, when he stated:

As a matter of fair play to the consumer the cost of credit should be disclosed fully, simply, and clearly.

On July 11, 1967, the Senate, thanks to the vigorous and persevering leadership of Senator PROXMIRE, passed a truth-in-lending bill which is not too dissimilar from that which we are considering today. Before getting into the substance of what is before us today, I would merely like to say that I think that too much hyperbole has been wasted on the Senate bill. I find the cries of "sell-out" and "worse than no bill at all" uttered by some of the critics of S. 5 to be foolish and far wide of the mark. While I think S. 5 needs real strengthening in certain areas, and I will try to get such provisions included in the House bill, it is basically a sound, effective piece of legislation implementing the basic public policy that the consumer has a right to full disclosure of the nature and extent of his credit charges on any purchase.

However, in several respects I think the bill we have reported out of the House Banking and Currency Committee is much stronger and I would like to touch on these before I mention my disagreements with the committee.

One of the most significant differences between S. 5 and H.R. 11601 is the latter's extension of the truth-in-lending principle to credit advertising. The basic requirement is for full disclosure of all essentials of the credit transaction, such as downpayment, finance charge, full cash price, and schedule of repayments. Even the briefest glance at any of our Sunday papers would show the frequency with which credit terms are included in advertisements along with other selling points of particular merchandise. Since so many potential customers are induced to make their purchases by persuasive advertising, it is axiomatic that those ads need to spell out the financing details of the transaction if the consumer is to be fully informed and capable of comparing one item with another. The impact of advertising is so overwhelming on consumer choices in this day and age that it is essential that the same high standards of full disclosure be applied in this area as are applied to the final commercial transaction between buyer and seller.

A second major difference between the committee and Senate bills is in the area of garnishment. The Senate bill was silent on the subject. Our bill restricts garnishment to 10 percent of wage earnings above \$30 a week, and prohibits discharge of an employee because of a single garnishment on his wages.

Mr. Chairman, I heard considerable testimony on this point from witnesses here in Washington as well as from witnesses in New York City. I was deeply impressed by the evidence of personal

hardship and distress suffered by many low-income wage earners, enticed into buying goods they could not afford by unscrupulous merchants who knew they always had recourse to attaching a man's salary and cared little whether anything remained to support that man's wife and children. Moreover, we heard extremely useful testimony from several referees in bankruptcy which pointed up the correlation between harsh garnishment laws and high levels of personal bankruptcies.

The provision we have included in the House version adopts, I am proud to say, the humane approach taken by New York State to the problem. A man can no longer be fired just because a creditor—often without the knowledge of the employee—has attached his wages. Instead, he can continue working and supporting his family, while paying off his debts in an orderly fashion, rather than being forced into unemployment and bankruptcy. Many representatives of labor, business, and public service organizations have supported restrictions on garnishment, and I cannot urge approval of these provisions too strongly as humane, compassionate, and economically sound.

Despite my overall satisfaction with the bill reported out by the House Banking and Currency Committee, there are two sections to which I must state my strong opposition.

Our guiding principle in fashioning a truth-in-lending bill has been to assure to the consumer sufficient, clearly understandable, information which would enable him to compare different consumer credit proposals with one another in order to make an intelligent judgment on which was most suitable for his economic situation and needs. Yet, H.R. 11601 includes an exemption which, I am convinced, would completely undermine this principle. The "revolving credit" exemption would allow its users—large department stores, mail-order houses, some credit card systems—to disclose their finance charge on a monthly percentage rate basis instead of the yearly percentage rate basis required for all other forms of consumer credit. What we are doing by inclusion of such an exemption is denying the most important credit information which the consumer needs to discriminate in the vast majority of his day-to-day credit transactions.

Furthermore, revolving credit has been growing at an extraordinarily fast rate. With this kind of statutory favoritism, it is clear that the trend toward this type of credit will be even further accelerated.

Moreover, this exemption needlessly discriminates against all other givers of credit who must state their credit rates on an annual percentage basis. Those falling under the general disclosure provisions of the bill would be laboring under a grave competitive disadvantage.

Later on in the debate, I am sure we will enter into a very detailed discussion of this provision but sufficient to say for now that the intricacies of the revolving credit mechanism in no way require such an exemption. What is most important is that the interests of the consumer in obtaining full—not half—truths about the credit he is paying for affirmatively require deletion of this exemption.

I am also strongly opposed to the elimination from the bill of those credit transactions in which the finance charge amounts to less than \$10. Many of the credit needs of the very people who most need the protection of this bill will escape from the protection of the bill by this exclusion.

It is in these relatively small transactions that some of the greatest abuses appear in terms of excessively high interest rates; therefore, it is in precisely these areas that purchasers or borrowers should be informed as to the true interest rate that will be paid.

The other day in my home city of New York, I noticed an advertisement in the subway for small loans, in which the monthly payment required was specified but the annual interest rate was not. For example, the advertisement stated that a customer who borrowed \$100 for 6 months would only have to pay back \$108 in six monthly installments. This finance charge of \$8, which would be excluded from the requirement that an interest rate be disclosed, actually amounts to an annual interest rate of 32 percent.

The possibilities for abuse and evasion of this provision are tremendous. The exclusion makes no sense in either logic or economics and I urge its rejection.

Mr. Chairman, I should like to comment on some of the issues that have been raised and some of the discussion thus far in the debate, which, frankly, has taken a turn which seems a little bit Alice in Wonderland to me. We have seen speakers take the well today, including my good friend from California [Mr. HANNA] to give the impression to the Committee that the proposals submitted by the gentlewoman from Missouri [Mrs. SULLIVAN] for strengthening the committee bill, are a devious plot being proposed by large mail-order houses and department stores.

I would consider it useful at this point to recall that the strong position here—that is, the position of requiring annual interest rates uniformly—is supported first of all by the consumer groups of this country. I do not know whether the gentleman from California [Mr. HANNA] is telling the consumer groups they do not know what they are talking about, but that is the way it sounds.

This position is also vigorously supported by the AFL-CIO and the major unions.

It has been supported for some time now by the furniture dealers and others who would suffer from the discrimination contained in the committee bill, such as the banks. And now, finally, the major department stores are realizing that their interests would not be well served by the kind of discriminatory provisions contained in the committee bill.

Why is that so? There is no sinister secret about that. They would find it difficult in their billing to make different provisions for the types of open end credit plans which would fall within the definition requiring an annual interest rate and those which would not. So it would be complicated and difficult for them to comply with the provisions of the committee bill. They say, "Rather than struggle with that, OK, let us have an annual interest rate for everything."

We have heard a lot said this afternoon about the fact that one cannot figure the interest rate on open-end transactions.

I will admit that you cannot figure just what the earned interest rate is going to be. It has been said here that it never goes above 18 percent and it is always below that. That is not so, ladies and gentlemen of the Committee. As the testimony brought out, sometimes it can go way above 18 percent. In one of the examples pointed out by Mr. HANNA, he said it would run 45 percent on a certain type of transaction. This is where a payment is made on the account during the month and the particular store does not give credit for that payment in figuring the interest rate. So we have to take it for granted that the earned interest rate can be above or below 18 percent a year.

But look. Every single thing that has been said in criticism of the 18 percent a year can be said about 1½ percent a month. Every single statement that has been made here criticizing the 18 percent a year can equally apply to the 1½ percent a month. If you cannot figure the interest rate, then how can you say it is 1½ percent a month? Yet they are willing to say 1½ percent a month, but they do not want to say 18 percent a year. Why not? One reason and one reason only. For the consumer, 1½ percent a month sounds cheap. He thinks he has a bargain creditwise. And 18 percent a year sounds like a lot. That is the only reason why they do not want to say 18 percent a year.

What are we asking them to do in the Sullivan amendment here? We are just asking them to say, when they say that the finance charge is 1½ percent a month, to set it out as 18 percent a year. That is all. It is not asking very much. It does not complicate anything. It merely calls to the attention of the consumer that he will really be paying at the rate of 18 percent a year.

Now, something has been said here about the Penney Co. I am not sure because I have not talked to the Penney Co., but I think they have a system of billing which is different from some of the others. They do give credit for payments made during a month, but they still say 1½ percent a month. Why do they object to saying 18 percent a year?

In any event, the Penney people can explain the nature of the way they handle it. Mr. Chairman, there is an amendment in the committee bill on page 14 which I have had the honor to sponsor which requires those who do not give credit for payments made during the month in figuring the finance charge to say so and to disclose that fact. Penney's is protected by that provision.

We have heard the proposal suggested by the gentleman from Ohio [Mr. WYLIE]. It is logical, all right, and it sounds plausible, but who in the end would be taken care of? The business people would be taken care of. They would be happy with uniformity, putting it on a per-month interest rate basis, but who is going to be hurt? The consumer is going to be hurt, because every witness who testified on this subject said without any difference of opinion that

the consumers think 1½ percent a month is cheap and they think 18 percent a year is expensive.

What then is the ultimate proposal that comes forward? "Let us have it uniform on a per-monthly basis." Ladies and gentlemen of the Committee and Mr. Chairman, we cannot at this stage of the game change the whole way in which we refer to these things. We learned in school about interest rates. They are annual interest rates. We have payments given in the figures on an annual, not a monthly basis. We cannot change the whole way of looking at it in this country and try to get everyone to think in terms of a per-month interest rate.

To me it would be worse than having no bill at all, no credit protections, if lenders do not indicate interest rates on an annual basis. This is what the country understands. This is what the consumer understands. This is where he gets the true picture of it. It would be a tragedy if we moved toward uniformity by moving to a monthly interest rate.

The strange thing about it, Mr. Chairman, is that Mr. WYLIE's proposal does not even deal with the difficulties that arise in stating a precise interest rate.

Mr. Chairman, as I said before, if you can say that a rate is 18 percent a year, you can also say that is 1.5 percent a month.

Mr. Chairman, the gentleman from Ohio tries to get over all of the difficulties by saying that by quoting a monthly interest rate no one gets in any difficulty despite the fact that it is not exactly 1.5 percent a month. In other words, it can be more or less, depending upon what payments are made and so forth.

Mr. Chairman, I think this would be a total sham; it would be a reduction of the bill to the point of being truly an absurdity.

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

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

Mr. HOLIFIELD. In the event of a revolving account where the charge is made on the last day of a month, on an amortized balance, and let us assume they are charging 1.5 percent a month, and let us further assume that there is a charge of \$90, and there is paid at the end of the first 30 days a \$15 payment thereon. That leaves a balance of \$75. And, at the end of another 30 days there is a payment of \$15. Each time the consumer pays 1.5 percent interest on the remaining balance as of the last day of the month?

Mr. BINGHAM. No; excuse me. That is not so. In most of the plans the balance—the 1.5 percent is charged on the balance at the beginning of the month and does not provide for giving credit for payments made during the month. Penney's does. That is the distinction between Penney's and some of these other companies. But many of them do not give credit for payments made during the month. They charge the 1.5 percent on the balance at the beginning of the month.

Mr. HOLIFIELD. Whether it is the 1st of the month or the 31st of the previous month? In other words, there has to be a time element involved. And the periods

of time involved have to be 30 days apart?

Mr. BINGHAM. Yes; 1 month.

Mr. HOLIFIELD. So, you are begging the question when you say it is based upon 31 days or a month.

Mr. BINGHAM. There may be a whole lot of difference.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PATMAN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. HOLIFIELD. Mr. Chairman, I was hopeful that the gentleman from New York would be able to obtain some additional time because I do wish to explore this subject further.

Permit me to give the gentleman an analogy along this line: If you buy a \$90 item and if you pay 1.5 percent a month on it, and if every 30 days there is a \$15 payment due, and you pay that off at the end of 6 months, that is your revolving credit. Then, say, there are no additions to that account for the purposes of this discussion, how much interest has the man paid at the end of 6 months?

Mr. BINGHAM. He has paid 1.5 percent a month on the outstanding balance each month at the rate of 18 percent a year.

Mr. HOLIFIELD. That is true.

Mr. BINGHAM. But he has not paid 18 percent on \$90.

Mr. HOLIFIELD. That is true. But when you advertise the fact that you are charging 18 percent annually and he applies that to the \$90, would he pay up to 18 percent on the \$90 charge?

Mr. BINGHAM. It seems to me that the gentleman from California is forgetting the fact that a rate is a rate. It is just like arguing that 88 feet per second is not the same as 60 miles an hour. It does not matter whether the rate is 60 miles an hour or whether you are traveling at the rate of 88 feet per second. They are the same.

Mr. HOLIFIELD. Mr. Chairman, if the gentleman will yield further, the yield to the seller at the rate of 1.5 percent is not a yield of 18 percent a year to the seller?

Mr. BINGHAM. That is right.

Mr. HOLIFIELD. It is a yield on a 6-month basis of 7.42 percent, if you double that by 12 months, you have a rate that the receiver gets of 9.45 percent, not 18 percent?

Mr. BINGHAM. Depending upon the way the gentleman has set up his example and question the interest rate would be as the gentleman says. However, you could set up another interest rate, as the gentleman from California [Mr. HANNA] says, of 45 percent.

Mr. HOLIFIELD. Mr. Chairman, if the gentleman will yield further, let us take the example of a small merchant without a computer and say that a man comes in on the 15th of the month and makes a payment of \$15 and, say, that he is 15 days ahead of time or, say, he is 15 days late, how in the name of God can the small merchant tell this man or customer in advance the annual rate?

Mr. BINGHAM. All he has to tell him is what the rate per month is, times 12. In other words, he gives him the same

answer on an annual basis as he gives him on a monthly basis.

Mr. HOLIFIELD. I am not against full disclosure. But I am trying to figure out how the small merchant can comply to the formula, a small merchant who does not have a lot of bookkeepers and computers.

Mr. BINGHAM. There is no problem involved.

Mr. HOLIFIELD. You are telling me that if he sells that item and he charges 1.5 percent on the unpaid balance, all he has to do is to say "We are charging 1.5 percent a month on the unpaid balance," which when carried out to the end of the year would be 18 percent?

The CHAIRMAN. The time of the gentleman has expired.

Mr. BINGHAM. Mr. Chairman, would the gentleman yield me additional time?

Mr. PATMAN. Mr. Chairman, I have an agreement with the other side, but I will yield 1 additional minute to the gentleman.

The CHAIRMAN. The gentleman from New York is recognized for 1 additional minute.

Mr. BINGHAM. Mr. Chairman, I have asked for the additional time because it was my time, and I would like to answer the question the gentleman posed.

If the gentleman will look at the language in the middle of page 13 of the bill, he will see that what is being discussed here is the difference between what is called the percentage rate per period, which is what the committee bill says, and what we want to say is the annual percentage rate. And your small retailer who is now in a position to say 1½ percent a month can say 18 percent a year just as easily, and he does not have to make any calculations; all he has to do is add to what he now has, which is the percentage rate per period, or month.

Mr. HOLIFIELD. And he does not have to change it if the payment comes in advance, or if it is overdue?

Mr. BINGHAM. No; he does not.

Mr. HOLIFIELD. I thank the gentleman.

Mr. BINGHAM. Mr. Chairman, passage of the truth-in-lending bill is long overdue. We owe the American consumer enactment of the strongest and most comprehensive bill possible. By closing these two important loopholes, on revolving credit and \$10 finance charges, we will be enforcing the American consumer's right to know exactly how much he is paying and thus exercise an informed judgment as to what he can afford to buy and where he can obtain the most favorable credit treatment.

President Johnson cogently stated the case for this bill when he said:

The Truth-in-Lending Act of 1967 would strengthen the efficiency of our credit markets, without restraining them. It would allow the cost of credit to be freely determined by informed borrowers and responsible leaders. It would permit the volume of consumer credit to be fully responsive to the growing needs, ability to pay, and aspirations of the American consumer.

I heartily concur and urge the House to approve this important piece of legislation.

Today's editorial in the New York Times reads as follows:

[From the New York Times, Jan. 30, 1968]

TRUTH IN LENDING

As the House of Representatives takes up the long-stalemated truth-in-lending bill, need for a strong, comprehensive law is heightened by the steady growth in the volume of consumer credit. Buyers and borrowers must have the protection of a law requiring full disclosure of the true cost of obtaining credit. These safeguards are particularly necessary for the least educated and the poorest, who can ill afford mistakes in managing their money.

The bill as it comes to the House floor would be improved if the members strike out two amendments adopted in the Banking Committee. The first would exempt retail stores and mail-order houses from telling their customers the interest rate on an annual basis for so-called revolving charge accounts. An interest charge of 1.5 per cent a month on the unpaid balance sounds rather low. Yet, on an annual basis, this is 18 per cent.

Equally objectionable is an exemption in the bill providing that credit terms do not have to be detailed if the interest charge is less than \$10 per transaction. As a practical matter, such a provision would exempt most loans and purchases of less than \$100. This is exactly the size of transaction in which persons with the smallest incomes need protection.

On the plus side, an amendment successfully offered in committee by Representative Halpern, Republican of New York, strengthens the bill by restricting the garnishment of wages. The first \$30 of a worker's wages would be exempt from attachment by a private creditor, and no attachment could exceed 10 per cent of his remaining wages. No one would be harmed by such a modest restraint except those dubious merchants who prey upon the poor by selling shoddy merchandise on "easy" credit.

Mr. LLOYD. Mr. Chairman, I yield myself the remaining time.

The CHAIRMAN. The gentleman from Utah is recognized for 4 minutes.

Mr. LLOYD. Mr. Chairman, in the brief time remaining I believe there are a few things about the bill that have not been brought to the attention of the House as yet that I would like to touch on. One is the matter of garnishment.

This bill contains a provision on garnishment that was not in the bill of the other body, and it provides that garnishment is limited to 10 percent of that amount over \$30 a week. We are under the apprehension that that is the New York bill. It is not the New York bill. As I am advised, the New York bill provides that there would be garnishment of 10 percent of the entire wages, and not just that over \$30. So on \$100 a month under the New York bill the garnishment would be on the \$100, or \$10. Under the bill as it is written here, it would only be on \$70 or \$7. That is a very important distinction. It is one that I believe should be brought out tomorrow.

Also the discussion this afternoon has pretty well confined itself to the matter of annualizing the rate. I believe we should be reminded in conclusion here today of what has been said previously, that the other body for 7 years has broken their pick upon that issue. I believe it was on a vote of 93 to 0 that they decided that could not be done, after 7 years. They decided, like the framers of our Constitution, that maybe none of the language was exactly what they

wanted, but it was the best bill on credit disclosure that could be framed, and passed.

That does not mean that there are some other provisions of the bill that cannot be changed, but it means that upon that one point that the other body has decided that with the exemption in the open-end revolving credit, as defined, that that is the type of legislation which is acceptable to the Congress of the United States.

And I would also like to make this point in support of the proposal advanced by my colleague from Ohio [Mr. WYLIE]. A Member of the other body from Illinois made this statement, when the other body passed this legislation in pointing out the lack of comparability, and the discrimination that might exist. But first of all, in case I do not have time, I would like to say that I do favor the committee bill. I feel that it is possible it could be improved by the Wylie approach. But this matter that I shall quote that was made by a Member of the other body, is as follows:

Revolving credit, commonly used by department stores; and installment credit, typically used for the so-called "big ticket" purchases. Under the committee bill, sellers who use revolving credit are required to state their finance charge as a monthly percentage rate, while sellers who use installment credit are required to state their finance charge as an annual percentage rate.

The discrimination in the bill that is most apparent, however, is not that between revolving credit and installment credit. The most apparent discrimination is the discrimination within revolving credit.

The seller using a revolving plan without title retention will be permitted to disclose a monthly percentage rate, while in an identical transaction under the same repayment terms, the seller using a revolving plan with title retention will have to disclose an annual percentage rate.

In other words, under the example of the committee bill, a retailer on one side of the street could set his interest on a monthly basis, while across the street the furniture or the specialty store selling the same item would have to annualize it. Continuing to quote:

I call attention to it here in the hope that some solution will ultimately be worked out, as the bill proceeds through the legislative process.

I submit to the House that the proposal advanced by the gentleman from Ohio [Mr. WYLIE] may be this approach under this bill. It seems to me it recognizes not only the mechanical equities but the equities in principle in approaching this necessary legislation for the benefit of all concerned.

Mr. DONOHUE. Mr. Chairman, the spirit and the language in this Consumer Credit Protection Act now before us, H.R. 11601, represent a real step forward in this urgent legislative area of truth in lending but a great many of us here are seriously concerned that it does not go far enough in providing the fullest, reasonable protection to the American consumer who needs this protection the most.

It is, unfortunately, all too obvious that in today's modern mass consumer markets commercial selling and lending practices and appeals have grown in-

creasingly confounding and financially burdensome to the ordinary customer and consumer.

Particularly in the area of consumer credit it is commonly felt that very few people, outside of the experts, really understand the true interest charges projected.

While the objective of this bill is certainly to extend reasonable consumer protection to every individual and family I consider it to be our very high legislative obligation to insure that this protection is designed to especially include the very low-income persons and families who need it the most and are the least able to avoid the appeals of some very unscrupulous merchants and lenders that tempt them into financial suffocation.

Therefore in order to achieve the full legislative objectives intended, many of us believe that this bill must be strengthened in several provisions but most particularly in two major areas.

It must be strengthened by removing the existing exemption of ordinary revolving credit systems for the disclosure of annual interest rates that would perpetuate the 1½-percent-a-month illusion with no requirement that it be translated into the actual rate of 18 percent a year. There is no real ground of justification for this exemption and it cannot be permitted to stand if the purposes of this bill are to be attained.

It must also be strengthened by removal of the equally objectionable existing exemption from disclosure of all transactions involving finance charges of \$10 or less. This provision would exempt practically all credit purchases of \$100 or less and, therefore, nearly all the ordinary credit purchases of our lowest-income individuals and families. I submit that there is no equitable justification for this exemption and it cannot be permitted to remain if the purposes of this bill are to be completely realized.

Mr. Chairman, other suggestions and recommendations for the strengthening and improvement of this well-intentioned measure have and will be made, and I hope the House will fully debate and prudently act on each one of them.

Surely the time has come, in our burdened society, to require the revelation of truth, in interest rates and financial charges, and their related activities, so that every American will have the information and advice made available that will enable him to protect himself and his family from unwitting financial imprudence and bankruptcy.

Our legislative challenge is to provide the greatest consumer protection to those who need it the most and to prevent the visitation of any discrimination upon and all segments of the industries engaged in these commercial fields. It is of paramount importance that our legislative restrictions and requirements be of absolutely equal impact upon every business unit and activity that is involved.

We have the duty to fully protect the consumer without inequitably or unduly harrassing the affected industries.

By adoption of a strengthened consumer credit protection bill, we can meet

these two high duties and obligations, and I urge the House to do so without undue delay.

Mr. FASCELL. Mr. Chairman, I rise in support of meaningful consumer credit protection. It is time that uniform regulations for the full disclosure of credit charges be established and the consumer assured of a simple, concise explanation of the actual cost of his numerous credit transactions. The American consumer today is buying more and more on credit, and it is only just that he have the benefit of a clear understanding of just what those transactions mean to the cost of the product he is purchasing.

The sale of credit on incomplete, inaccurate, and deceptive terms is of the very greatest importance to the economic system. The noncomparable and misleading terms prevent the consumer from making a rational selection among methods of financing his household. The consumer cannot choose rationally between a merchant's revolving credit plan; a credit union loan; a bank loan; or saving to pay cash, when he has no common denominator of the price of credit. When consumers use a hundred billion dollars or more of credit in a year without selecting the best and the least expensive source of finance, they injure their ability to buy. They provide fat returns for the inefficient and the dishonest, and often discriminate against the more efficient retailers and lenders. In short, money that could have been used for productive purposes is siphoned off.

What we propose to do about this problem in the bill before the House, is essential. We propose to require creditors to use uniform and non-deceptive language in advertising credit terms and in writing up consumer credit contracts. This is as revolutionary as saying that the standard metrical measure of length shall be a meter of 100 centimeters, rather than 50 or 60 or some other number of centimeters according to the practice of the particular trade. It should not be necessary to remind the House that the most common way of quoting consumer credit rates is in terms of dollars or percent on the original balance of a the credit actually available to the debtor rate is little more than half the rate on the credit actually available to the debtor during the period over which he makes his installment payments. Requiring rates on credit to be stated as annual rates on the average unpaid balance, is so fundamental to good commerce that it should never have encountered any opposition.

I ask the House to support the truth-in-lending measure which will enable the households of the Nation to use the Nation's credit resources economically and rationally.

Mr. EILBERG. Mr. Chairman, the Consumer Protection Act which is before us will enable consumers who use credit for their major purchases to protect themselves against needlessly expensive credit. The bill requires that they be informed of the cost of credit, and of the annual rate at which finance charges are computed before they have incurred the debt. It is no cure all. It does not give the consumer all possible information for protecting himself. It does not give pro-

tection similar to that of some State laws which protect the consumer by limiting rates charged on consumer credit; nor does it permit the consumer to deduct the entire finance charges on retail credit in computing his income tax as he now can deduct interest on a loan; this bill does not change the tax laws or regulations. These two kinds of protection are not included in this bill, and their merits perhaps ought to be put aside for consideration some other time, but not now.

The bill also fails to require creditors to supply consumers with the information which they need for protection against costly credit for minor purchases: it does not require the finance rate on revolving credit to be stated as an annual rate.

This omission is a victory for retail merchants, including the largest of all the chains, whose opposition has been a principal obstacle to the passage of any truth in credit bill. The retailer who puts his customer's account on revolving credit can say that he charges 1½ percent per month in which the chargeable balance is outstanding. But the bank which finances his car cannot stop at saying its rate is 1 percent per month, or 1½ percent, or 2 percent, but must state the much more arresting figure of 12 percent, 18 percent or 24 percent per year.

The retailers have made elaborate arguments against disclosing the annual rate on revolving credit, and these arguments have been dissected in congressional hearings. The rather amazing sequence of propositions offered by the retailers does not need another exposition and review. The simple facts are that the charge is levied each month and billed to the consumer each month, and that there are 12 months in a year. A monthly rate of 1½ percent is an annual rate of 18 percent—just as a 6-percent annual rate on a mortgage is a monthly rate of one-half of 1 percent.

How many people do not understand what an 18-percent annual rate means. This is the fault of creditors who have talked in their own deceptive language so long that to many consumers an annual rate is a rate on the original balance. It is the very essence of consumer credit that the credit is repaid in installments, so that the original balance is a proper basis for charge only until the first payment has been made. When a credit is repaid over a year at an 18-percent annual rate on the amount of credit actually outstanding, it is a rate of less than 10 percent on the original balance.

The retail creditors' problem is that some of his customers may believe that revolving credit adds 18 percent to the cost of their purchases. The solution to this problem does not lie in letting revolving credit alone be stated in a special way which makes it appear far cheaper than other credits, even when the other credits actually may be the cheaper of the two. The proper solution is to require revolving credit rates to be quoted as annual rates as are other credits, and to permit retailers to offer explanatory information to the effect that charges at that rate when levied on balances which are repaid according to the retailers plan, will add 6, 10, 12 or some other percent-

age to the cost of the purchases, and the additional cost will depend on the rapidity with which balances are paid off.

The House bill provides the consumer with protection against misleading advertising of credit charges and rates. The misleading nature of credit advertising has been documented throughout the years over which truth in lending has been studied by the Congress. This is a form of protection which obviously is necessary.

The House bill also deals with the problem of unconscionable garnishment by retailers and lenders who sell shoddy merchandise, make exorbitant finance charges, and disregard all evidence of lack of credit worthiness in pushing credit. The bill's restrictions on garnishment used as a collection device by the unethical fringe of operators in consumer credit will save many employees from being lured into excessive debt, from dismissal by their employers because of garnishment of wages, and ultimately from bankruptcy. It will save employers some of the high cost of employee turnover because of personal financial troubles. It will direct credit resources to the ethical creditors when the unethical cannot resort to the courts to collect the exorbitant charges which finance their expansion.

Mr. RODINO. Mr. Chairman, the House has courteously awaited, for 8 long years, an opportunity to approve a truth-in-credit bill. The Senate enacted a bill last summer. Now we can approve the principle of that bill, and make its operation more beneficial to the consumer and to the ethical retailer and lender.

The House bill, of which I am a sponsor, requires the use of standard disclosures of credit terms. If credit terms are advertised, the advertisements must be informative, complete and include the items specified in the House bill. If credit contract is made, it must include disclosure of a standard list of cost items and the price of the credit. Full disclosures must be made, and they must be made in standardized language so that the consumer can engage in comparison shopping—and comparison shopping for credit can become more informed and rational than most comparison shopping for merchandise.

Consumer credit usually adds a minimum of 6 to 10 percent to the cost of goods for the shortest term credit, and in the purchase of automobiles, and for other durable goods and often adds more than 24 percent to the cost. The total of these added costs is about as great as the cost of interest on the national debt, and would buy a year's supply of gasoline and oil, or pay all of the plane, train, bus and taxi fares of a year. The very magnitude of these costs makes it imperative that consumers carefully select their sources of finance, and economize at every opportunity. The information on credit costs and rates which consumers need for using their income will not be available to them unless this bill is enacted.

Some consumers, of course, already have the benefits of truth-in-credit legislation at the State level. But only four States have acted, and the disclosures which State legislation will require may

not be up to the standard of our own consumer protection act. A Federal act will establish minimum standards of disclosure for all consumer credit transactions in all States.

The House should make clear in its action on this bill that it intends to give consumers the benefit of full disclosure in standard terms on credit contracts; that it intends to give consumers protection against inadequate disclosures in advertising of credit terms; and that it intends to require creditors to use care in extending credit, to depend on credit worthiness of the consumer rather than garnishment of wages, to insure repayment.

The Senate bill recognized that the inefficient and the unethical lender or retailer can acquire too large a share of the total of credit business if his charges are not disclosed in understandable terms, and consequently the bill gives consumers the information basic to their avoidance of such waste. The House bill goes further and recognizes that some consumers will not act wisely about credit, even when information is available to them. Consequently it tells the creditor that, if he takes advantage of their low resistance to sales pressure, he will not be protected by resort to garnishment of wages. The bill depends on self-interest to correct misuses of credit resources which now are made by unethical creditors and careless debtors.

Mr. Chairman, I strongly urge approval of this most essential and long-delayed measure and the amendments covering revolving credit which will be offered by our distinguished colleague, Mrs. SULLIVAN. With these actions we will have the opportunity to write a fully protective measure for the consumer in this basic area.

Mr. GILBERT. Mr. Chairman, I have long been an enthusiastic supporter of the truth-in-lending principle and I shall be happy to vote in favor of the bill that is currently before us. I have observed the reluctance of many lenders to reveal the price of credit in terms both of rates and money costs. I have also observed how very difficult it is to compute rates of interest, unless one is a trained mathematician. This bill is overdue. It is a necessary and justifiable protection, fundamental to the equitable operation of our free enterprise system. In approving it, Congress will be enacting a basic reform of our economy.

I want also to give notice that I will vote in favor of two amendments to the legislation as it has been reported out by the committee. I oppose the exemption of revolving charge accounts and of interest charges of less than \$10. I see no reason for these exemptions. I believe this bill will be seriously flawed if these exemptions are not eliminated.

I note that these exemptions will tend to fall most heavily on the poor, who indeed we are most seeking to protect with this legislation. The rich can go to banks for their credit and usually obtain money without undue difficulty at a reasonable rate of interest. The poor exist from hand to mouth. They put their purchases on a revolving charge, unaware of how much they are paying for this privilege. Surely the large department stores and mail

order houses using this system are honest enough to accept the responsibility of fair reporting of annual interest charges. By the same token, the \$10 exemption falls most heavily on those who buy in small quantities. Once again I speak of the poor. This provision permits the worst sort of loan-sharking to thrive, the kind of loan-sharking that preys on the poor, nibbling away at their small fortunes dollar by dollar. I will support amendments on the floor to eliminate both these exemptions.

Mr. Chairman, I am hopeful that this law will wipe out that brand of unscrupulous merchant who cajoles the poor into purchases beyond their means, tantalizing them with low monthly payments in which are concealed ruinous interest rates. I think the honest merchant with nothing to hide will gladly embrace this bill, while the user will shirk away. I congratulate the committee on this measure, in which I have great confidence.

Mr. BOLAND. Mr. Chairman, I want to express my support today for H.R. 11601, the truth-in-lending bill Congresswoman LEONOR K. SULLIVAN has championed in an effort to throw light upon the dark and sprawling labyrinth that credit buying has grown into over the past few decades.

This bill, the fruit of 8 years' work by men and women seeking a better break for the consumer, would give people throughout the United States the right to know just how much credit costs both in terms of total cash amount and true annual interest.

The measure would make credit buying simple and straightforward for everyone from the housewife buying clothes for her family, to the businessman shopping for a new car, to the investor seeking a bank with the highest interest yield, to the highschool boy comparing prices on motorbikes.

The bill, even more significantly, would give needed protection to the poor and underprivileged who are all too often bilked into paying unconscionably high interest on the credit plans they accept in an attempt to provide a better life for themselves and their families.

I take pride in the fact that my home State, Massachusetts, has pioneered in the enactment of meaningful and successful truth-in-lending legislation. These laws have proved groundless any fears that consumer protection acts might hamper business or harass businessmen. The Massachusetts laws, in fact, have stimulated credit buying and have led to better understanding between business and consumer, providing ample evidence that such legislation works and works well.

Mr. Chairman, I will ask unanimous consent when the Committee goes back into the House to insert, at this point, a brief analysis of the truth-in-lending impact since its enactment by the Massachusetts Legislature.

FEDERAL RESERVE BANK OF BOSTON,
Boston, Mass., November 15, 1967.
Mr. Dermot Shea,
Executive Secretary, Consumers' Council,
State Office Building, Boston, Mass.

DEAR MR. SHEA: Following is a short analysis we made to try to determine whether "Truth in Lending" had had any impact since its inception in Massachusetts.

RETAIL SALES: PERCENT CHANGE, JANUARY-AUGUST 1966
TO JANUARY-AUGUST 1967

| | Total | Nondurable |
|--------------------------------|-------|------------|
| New England..... | +1.0 | +3.0 |
| Massachusetts..... | +3.0 | +4.0 |
| Personal income (same period): | | |
| New England..... | | +7.5 |
| Massachusetts..... | | +7.2 |

Thus, despite a somewhat smaller rise in personal income, Massachusetts had a better gain in retail sales, thus far in 1967 over 1966 than did New England as a whole.

CONSUMER CREDIT AT FINANCIAL INSTITUTIONS IN NEW ENGLAND

| | Commercial banks | Sales finance companies | Consumer loan companies | Savings banks (Massachusetts only) |
|--------------------------------------|------------------|-------------------------|-------------------------|------------------------------------|
| December 1965 to September 1966..... | 7 | 2 | 5 | 50 |
| December 1966 to September 1967..... | 5 | -1 | 0 | 43 |

Consumer credit has grown slower at all financial institutions in 1967 than in 1966. Perhaps consumer loan (small loan) companies have suffered the most, while savings banks have done the best, but this comparative trend seems to have been in existence already in 1966 and earlier. Savings banks have advertised more aggressively and they were bound to get an increasing share of the market in any case. In addition, commercial banks have begun to advertise credit cards and check credit aggressively so that they were probably also due to get a bigger share.

Very truly yours,

PAUL S. ANDERSON.

H.R. 11601 is designed to protect buyer and seller alike. It calls for a standardized language in credit contracts and advertisements—a language that gives consumers a measuring stick by which they can compare credit plans, that gives businesses a forum by which they can compete openly and straightforwardly for the shopper's dollar. This language, clear and explicit, would do away with the muddle of words unscrupulous businessmen use in their contracts to mask charges from the consumer. It would do away with the small print and evasive verbiage some reasonable businessmen feel forced to use in order to compete successfully in the credit marketplace.

The bill would also put restrictions on the garnishment of wages—a provision that places on the creditor the burden of extending credit wisely and responsibly—and would create a national commission to study the burgeoning credit business throughout the Nation.

I would like to commend Mrs. SULLIVAN, the able and distinguished Congresswoman from Missouri, for her long and spirited fight to bring this bill to the floor of the House.

As the bill stands now, however, it leaves open two gaping loopholes that Mrs. SULLIVAN was unable to plug up when H.R. 11601 was before the Banking and Currency Subcommittee on Consumer Affairs. One loophole would exempt stores offering revolving charge accounts from disclosing the true annual

rate of interest. The other would exempt from disclosure service charges of \$10 or less on any single credit transaction.

I urge my fellow Members of the House not only to pass this bill but to support Mrs. SULLIVAN in her attempt to extend its provisions to close the two loopholes I have just cited.

Mr. ANNUNZIO. Mr. Chairman, on January 10, 1968, Illinois State Senator Cecil Partee, Democrat, spoke before the annual meeting of the American Retail Association Executives at the Waldorf-Astoria Hotel in New York City.

Senator Partee has a distinguished background, having served 8 years as an assistant State's attorney in Cook County, Ill. He earned a B.S. degree—cum laude—in business administration at Tennessee State University in Nashville, Tenn., and then went on to earn a J.D. degree at Northwestern University Law School in Chicago, Ill.

He was first elected as State Representative in 1956, and served in that capacity until 1966, when he was elected as State Senator from the 26th District of Illinois. During his service in both the Illinois House of Representatives and Illinois Senate, Mr. Partee has compiled an outstanding record and has served his constituents ably and with distinction.

Just recently Senator Partee sponsored and had passed in the Illinois State Legislature a bill, S.B. 977, Ill., to require the pupils in grades 8 through 12 to be taught and to be required to study courses in the area of consumer education.

As a member of the House Banking and Currency Committee, I have spent considerable time studying the critical issue of consumer protection, and I do feel that consumer education is of prime importance in reaching an effective solution of the problem we face today.

The House of Representatives today begins consideration of H.R. 11601, the Consumer Credit Protection Act. Because I feel that Senator Partee's timely and original thinking on this issue will be helpful to my colleagues in the House in deliberating on this issue, I am enclosing the complete text of Senator Partee's remarks before the American Retail Association Executives at this point in the CONGRESSIONAL RECORD. His remarks follow:

Thank you very much for your kind introduction. It is my extreme pleasure to have been invited to talk with such an illustrious group. I am grateful for the opportunity of disseminating whatever little I know about Consumer Education to this group in the hope that we can make a Consumer Education a vital and required course of the curriculum in all of the high schools of the United States, and that adult courses should be an auxiliary must.

As you perhaps know by now, a Consumer Education Bill was passed in the last session of the Illinois State Legislature. I am grateful to all persons who helped and aided in its becoming law, but I am especially grateful, and I pause to say so now, to Mr. Joseph Meek, and the Illinois Retail Merchants Association.

Many people have asked the need and the necessity for the Bill, others have made discreet inquiry as to my personal interest in this subject. I hope you will pardon the personal reference, but I think that my personal background has something to do with my

interest in this subject. It happens that I discovered America, and was born in a small town in the State of Arkansas. I have often remarked that the town is so small that they did not have a Howard Johnson and even if they had had one, it perhaps would have had only two flavors instead of the proverbial twenty-eight.

As a boy, I made perhaps my first real stab at Consumer Education when I went in to purchase some shirts from the local J. C. Penny Store. One of the shirts which was described in glowing advertising terms, sold for sixty-nine cents, and the other a rather deluxe model, sold for eighty-nine cents.

Today, the difference seems minuscule and hardly worth mentioning. Then, it was a monumental decision, making a choice of garment as to longevity, wearability and the other factors that entered my reasoning process and that decision was based on what we may now describe as a facet of Consumer Education.

As a child, I remember that my father owned an automobile which had a gasoline tank capacity of ten gallons. We lived six miles from the Missouri State Line, where gas could be purchased for some four or five cents less per gallon than in the State of Arkansas, due, of course, to the difference in State tax (a subject which has engaged the attention of this group on many occasions). The distance from my home town to a gasoline station at the Missouri State Line was six miles each way. The problem then, as presented, was how much do you save by driving to Missouri and filling a ten-gallon tank at a savings of four to five cents per gallon, while using whatever gasoline it took to drive the twelve miles to effect the savings. So, you see, Consumer Education in the broader sense is something in which I have lived since childhood. I have tried since then to translate these experiences and their intrinsic value in terms of money management to my own children. Their more affluent childhood, as compared to my own, makes the lesson a little harder to teach. During another period of my life I served in the State's Attorney's Office of Cook County, and was assigned initially to the Fraud and Complaint Department. Here I heard countless stories of woe from many uninformed citizens, because of their problems without money management. Many of these problems could have been averted, it seemed to me, if someone had bothered to teach them the basics of Consumer Education and Money Management.

At a still later period of my life I was elected to the Illinois State Legislature as a Representative in its General Assembly, where it was my frustrating pleasure for many sessions to work toward what has loosely been described as Credit Reform Legislation.

Finally, in the last session of the Legislature, during my Freshman Senate Term, many rather salutary pieces of Credit Reform Legislation were passed and I am personally, though modestly, proud of my own contribution to their passage.

In addition to these experiences as a child and as an Assistant State's Attorney, and finally as a Legislator, I have come to know from experiences with my own children how little they know about money management and how little value is placed on money, if I may compare my own childhood.

One day, one of my daughters bought a bag of rock candy. I did not know that they sold it any more. I was, of course, surprised to see it in my household, and I was thoroughly shocked when I observed a price tag of thirty-nine cents for a small bag.

When I inquired of my daughter how much this was, she said, "only thirty-nine cents". My childhood recollection of rock candy was, as to cost, not more than five cents a ton. We try, however, to teach money management in many ways. At the age of seven, I bought one of my daughters ten shares of stock. I

bought it in a company which has, as its main product, a candy bar called Tootsie Roll. She is now their greatest salesman, paid or unpaid, and cherishes the twenty-four cent dividend checks in an almost unholy sort of way.

It seems to me, however, that she is learning something about the market place, and the younger we start to teach, the better.

I wondered whether the poverty of the Thirties and the affluence of the Sixties, though widely divergent in economic stability, were not nonetheless quite close together and correlated in the context of the need to teach Consumer Education and money management.

I suppose little things happen in every household which are interesting to parents of another generation, but I found it quite interesting when my seventeen year old daughter, upon completion of high school, had her first job in an office where she was paid the sum of \$2.35 per hour.

I was astounded at her first experience in the commercial world as I compared it to my own first experiences. It was interesting, though, that her ten year old sister commended to do little chores for the older one and generally suggested that she, the younger one, should be put on the payroll of the older.

The discussion was interesting. Older girl, "Why are you doing these things for me?" Younger child, "I thought I should help you, because since you are working, I want to be on your payroll." Older girl, "How much per week do you think I should pay you?" Younger child, "\$3.00 per week." Older girl, who at this time had worked two days during her entire life, "Why, that is too much. You don't know the value of money. I will pay you \$1.50 per week." Younger child, "All right, I think you are cheating me, but I will do it." Older girl exits room and younger child says to me, "You know, I really only thought I could get fifty cents. I drove a pretty good bargain, didn't I?"

All of these experiences, though personal, in a combined fashion clearly showed to me the need for Consumer Education and Money Management.

Personal experiences aside, I took a rather academic approach to the need for this legislation and my curiosity satiated by a report done at my request by the Legislative Council of the State Legislature. Research very clearly showed the need for teaching Consumer Education in a period of affluence as well as in a period of extreme poverty.

There you have a composite of my reasons and my interests in this much needed field of concentrated learning.

Consumer education in the United States had a push forward in the 1930's due to the Great Depression. Many believe we are on the verge of another great movement in Consumer Education, this time caused partly by our affluence rather than our hard times. Some believe that children today are not receiving the training in the homes they should with respect to Consumer Education and that schools should provide it. Others, however, believe that the schools are not the place to teach Consumer Education.

Some believe that a Consumer Education gap has arisen within the last generation and that many children no longer receive adequate consumer training at home. Part of this is due, it is thought, to increasing affluence, and also to the fact that the marketplace has become more complicated.

Spending by teen-agers has risen sharply in recent years, according to sources. Some are concerned that while children are big spenders today, they will be even bigger spenders in the future as adults. The fact that many young marriages are breaking up over financial reasons leads some to believe that the schools should do more in teaching about consumer education.

On the other hand, others believe that

consumer education should be taught in the homes and that the public school curriculum is already too full to take on consumer education courses. A college professor is quoted as saying after hearing the supposed virtues of consumer education, "This all sounds very interesting, but don't you think consumer education is much too practical to be academically respectable?"

Consumer education apparently had its beginning in the first home economics courses which started about 1900. A great boost in consumer education courses reportedly came with the Great Depression of the 1930's. By the early 1940's, consumer education "Had a firm grip on some of the rungs of the education ladder". The public was reportedly interested in any source which would show their children how to spend money and time intelligently, how to avoid frauds and schemes, and how to analyze advertising.

In 1944, the National Association of Secondary School Principals stated, "All youth need to understand how to purchase and use goods and services intelligently, understanding both the value received by the consumer and the economic consequences of their acts.

By 1955, Consumer Education had jelled and until, approximately, 1960, stayed at its peak. It, then, dropped off due to a number of reported reasons: Courses were being taught by half-interested teachers drafted to fill vacancies. Original teachers of Consumer Education courses had moved on to bigger and better jobs. Colleges preparing teachers had not instituted many courses for Consumer Education. Separate Consumer Education courses folded and their contents became parts of other courses.

The Director of Curriculum Development in the Office of the Superintendent of Public Instruction is of the opinion that most teachers of social studies in Illinois spend considerable effort in teaching about consumer finance and economics. This exposure to some sort of economic education starts reportedly at about the fourth or fifth grade level. A University of Chicago office concerned with economic education reports that Illinois children receive some sort of Consumer Education, but it is mostly economic theory. Reportedly, some amount of consumer education is taught in home economics and vocational education courses in Illinois.

A survey of several textbooks on Consumer Education in the Illinois State Library indicated the following topics are some of those usually covered:

"The Consumer in Today's Business World Managing Money," "Budgeting for the Individual," "Budgeting for the Family," "Savings," "Substitutes for Money."

"Using Credit," "Credit and the Consumer," "Installment Buying," "Borrowing Money."

"Good Buymanship," "Planning Before Shopping," "Using Advertising Intelligently," "Shopping Know-How."

"Buying Insurance," "Social Insurance," "Life Insurance," "Accident and Health Insurance," "Property Insurance."

"The Law and the Consumer," "Making a Contract," "Legal Aspects of Buying," "Using Credit Instruments," "Consumer Protection by Law."

Some believe consumer education is not dead. Economics teachers, for example, report a strong student interest in consumer relationships in their courses. Others, such as science, physics, chemistry and even English teachers, report interest in consumer relationship aspects they inject into their courses.

If you have any desire to get such a Bill passed in your State, I would recommend that there are five principal groups which deserve your attention. They are the educators, the business community, the Legislators, including of course, the Governor, who must sign the Bill, the Communication Media and the Parent-Teachers Associations.

We are pleased to announce that we successfully put these groups together in the context of interest and work and through them got passed into law, the Consumer Education Bill of the State of Illinois.

At the present time, Mr. Ray Page, our State Superintendent of Schools, who under the terms of the Bill is charged with the responsibility of developing the course and curriculum for grades ten through twelve, has convened and activated an experienced curriculum commission to establish the required consumer credit education courses and to establish the necessary reference materials for sound instruction use, courses and material approved not alone by credit grantors of the highest reputation, but also of union leaders, consumer agencies and educational authorities to insure courses providing a full balance for the inquiring student. You will be happy to know that, although Fred Goerlitz of our State, though he retired on January 1st, is going to be working with this developmental group. You see, in Illinois, we don't let good brains leave us. We use them.

From years of personal experience, both as an Assistant State's Attorney, assigned to the Fraud and Complaint Division, and also, after years of frustrating efforts as a State Legislator to help pass credit Reform Legislation, I came to know and realize that the basically real though painfully slow method of helping the citizenry was by starting with the young, while still in school, and teaching in an orderly fashion, the proper concept of credit and money management. They must be imparted the knowledge that Consumer Credit is a vital part of their lives—either a great opportunity or a frightful menace to their economic and social lives. They must see consumer credit for what it is—an economic device through which they may acquire what they want and pay for it out of future earnings. They must be impressed with the understanding that consumer credit serves to maintain the important balance between America's production, distribution and consumption. They must be taught that properly regulated and properly used consumer credit is absolutely essential to acquire the sales volume needed to run this economy and adequately finance the enormous demand for more and more jobs, more and more spendable income and more and more taxes to pay for the solvent operation of an enlightened Nation.

Hence, the idea of adding to our school curriculum, or, rather, of balancing and practicalizing our courses of study; the teaching of consumer education, is but a natural outgrowth of our penetrating desire to obtain financial responsibility, to make the thought of bankruptcy the disgrace which it too often is, and to lessen, through education, the need for laws which can have no meaning, no usefulness unless those who presumably must live under them can understand them and have the full protection which only their understanding can bring about.

Teaching to the consumer the cost of the use of money, money management, what to buy for cash and when to use credit are all parts of the much needed equipment for a well-planned financial life. One solid course in the intelligent use of consumer credit is, in the long run, worth a hundred costly enforced laws directed at the abuses of credit by both buyer and seller.

Reputable sellers need enlightened buyers. Enlightened buyers cherish reputable sellers.

Mr. KARTH. Mr. Chairman, I rise to protest the proposed exemption of revolving credit from the annual rate disclosure requirements of this bill.

There has been an enormous amount of store salesmanship to the Members of

this body on the proposition that revolving credit should be exempted because 1½ percent per month is supposedly not really 18 percent per year. It is alleged that the true annual rate is impossible to figure because of, first, the beginning period in which no credit charge is imposed—the so-called free ride, and second, the fact that people purchase and repay at individually different points of time and in different amounts.

Mr. Chairman, this is pure obfuscation. All charge account customers get the free ride whether or not they use the store's plan for extended credit. They may decide on full repayment before the end of the free period, thereby avoiding service charges altogether, or they may decide to finance the purchase by paying installments over a period of months, in which case they pay service charges for the extra time they take. The point at which the service charges begin to run is the relevant starting point for figuring out whether the store's credit is cheaper or that of some other lender. If the customer decides in favor of another source of financing, he pays off his account before the end of the free period and commences repaying the alternative lender who has offered a lower credit cost. It is nonsense to include the free period in the figuring of the annual rate, since the customer is under no obligation to continue to use the store's credit after the free period has expired.

Second, the fact that the customer may make repayments at varying dates within any particular period is irrelevant. What is important is the normal schedule of repayments and the rate of charge assessed for that schedule. It can be mathematically demonstrated that with elimination of the free ride from the computation and the use of the scheduled repayment dates to which the customer is fully entitled, a monthly rate of 1½ percent does in fact work out to 18 percent per year.

Mr. Chairman, the alleged impossibility of converting monthly revolving credit charges to an annual rate basis is simply special interest pleading which should be rejected by this body. I hardly need elaborate the enormity of the loophole the revolving credit exemption would create. It invites every lender who can do so to convert to revolving credit in order to maintain a competitive position by avoiding disclosure of annual rates of charge. Those who cannot convert will simply suffer the consequences. The consumer will continue to be misled, and to believe that a stated annual rate of 14 percent by a furniture store is more expensive than a 1½-percent monthly rate quoted by a department store, although the exact opposite is true.

We are here to pass a bill which will require annual rate statements by all lenders, so that the credit buyer and the loan borrower can know the true cost of his credit, so that one creditor does not have an unfair advantage over another, and so that consumers can compare finance rates not only on consumer loans but also with other interest charges ranging from savings accounts to mortgages to the national debt.

I urge defeat of the revolving credit

exemption in favor of the full coverage provisions of H.R. 11601 as originally introduced.

Mr. REUSS. Mr. Chairman, I rise to speak in support of title II of the committee's bill providing for certain restrictions on the garnishment of wages. The committee's hearings fully document justification for these provisions.

The restrictions on the garnishment of wages proposed by the committee received the endorsement of both major trade unions in the country as well as major industrialists. The AFL-CIO, the United Automobile Workers and Steelworkers of America are joined by the United States Steel Corp., Inland Steel Corp., and the Republic Steel Corp. in supporting the limitation on the garnishment of wages.

In addition to these endorsements, the committee's hearings include the testimony of four U.S. referees in bankruptcy. These referees, coming from such diverse areas of the country as Tennessee and Oregon, California and Texas, uniformly supported a ban or restriction on the garnishment of wages. They pointed out from their cumulative experience of more than half a century in bankruptcy courts that garnishment is the single most significant factor driving people into personal bankruptcy. It was their considered judgment that 99 percent of the debtors turning to the bankruptcy courts seeking personal bankruptcy were willing and anxious to pay off their debts but were fearful of the impact of the garnishment of wages on their ability to continue to support their families. These people were left with no alternative but to plunge themselves into personal bankruptcy.

The committee's proposal is modest, indeed. Rejecting an absolute ban on the garnishment of wages, the committee amendment would restrict such garnishment to 10 percent of earnings above \$30 a week and would prevent an employer from discharging an employee by virtue of a single garnishment of wages.

The record shows that where garnishment is used, it is used essentially by relatively few merchants or lenders in a community and is most frequently used by unscrupulous merchants or lenders, preying on the poor and unsophisticated.

There is every justification for the committee amendment. It provides a reasonable limitation on the garnishment of wages while still permitting the legitimate use of garnishment by creditors.

I urge the adoption of the committee amendment.

Mrs. KELLY. Mr. Chairman, today I rise in support of H.R. 11601, the Consumer Credit Protection Act legislation which is vitally needed to protect all of our fellow Americans and particularly those of modest or low incomes.

During my years in the Congress, I have continually voted for and supported measures to protect the family and the individual from fraud and deceit in the marketplace and from dangerous products. Only last session the Congress enacted much needed legislation which had my support to protect the consumer such as the Flammable Fabrics Amendments of 1967 which establishes new standards

to provide protection against the sale of highly flammable wearing apparel and interior furnishings. Also the Federal Meat Inspection Act of 1967 which provides for Federal-State cooperation for intrastate meat inspection standards and a program to bring State meat inspection systems in line with Federal.

However, the Consumer Credit Protection Act which we are considering today if enacted without restrictive amendments could be the most important consumer legislation passed by the Congress in years.

The lending of money and the extension of credit are now among the largest businesses in the United States. I believe that the very least we in the Federal Government can do for the consumer is to require those who extend credit to give to their customers a clear statement of the costs of that credit.

Therefore, on February 1 of last year, I introduced H.R. 4485, the Truth in Lending Act which would accomplish many of the objectives of title I of H.R. 11601, which we are considering today.

On August 8, 1967, I testified before the Consumer Affairs Subcommittee of the Banking and Currency Committee in support of my bill at which time I also stated my support for a Consumer Credit Protection Act.

A bill with provisions similar to mine, S. 5, but with certain exemptions I do not support passed the Senate. These exemptions to which I am opposed would exempt from the protection of the law revolving credit transactions which are used by large department stores and extensions of consumer credit of up to \$100.

In regard to these exemptions I wish to join my able colleague, Mrs. LEONOR K. SULLIVAN, in urging this body to enact a bill which will cover revolving credit transactions and extensions of consumer credit of up to \$100.

Mr. RYAN. Mr. Chairman, inasmuch as I have sponsored truth-in-lending legislation in the four Congresses in which I have served, I am glad that this issue has finally reached the floor of the House. Initially, I was pleased to cosponsor the bill first proposed by Senator Paul Douglas, who was the early pioneer in this area and whose determined efforts brought this legislation to the point of enactment. I only regret that, as this proposal is finally realized, he is no longer serving in the other body.

The 90th Congress has made significant progress in the long-neglected field of consumer safeguards. Following the record of the 89th Congress in truth in packaging, cigarette labeling, and auto safety measures, it has passed legislation in the areas of flammable fabrics, clean meat, and clean air. Later this session should deal with bills to require pipeline safety and electric reliability.

At last after years of delay Congress is on the verge of passing a truth-in-lending bill. However, the question still unresolved is whether it will be worthy of that title, or whether it might better be called the "half-truth in lending bill."

The Subcommittee on Consumer Affairs under the chairmanship of the distinguished lady from Missouri [Mrs. SULLIVAN] has reported out a strong

consumer credit protection measure. However, H.R. 11601 has been reported with amendments which weaken it. As introduced, H.R. 11601, which I sponsored as H.R. 11806, was substantially stronger than S. 4 which passed the Senate without a dissenting vote.

S. 4 provides for the disclosure of most types of consumer credit. However, it exempts first mortgages and loans where the cost of credit is less than \$10. It also exempts open-end or "revolving" credit from the annual-rate disclosure requirement.

As introduced, H.R. 11601 applied to these transactions.

H.R. 11601 includes a restriction on garnishment of wages and a provision that credit charges be disclosed not only at the time of sale, but in advertising as well. It also creates a Consumer Finance Commission to study other aspects of consumer credit, which may require further legislation.

The astonishing rise in personal bankruptcies is due in large part to the overextension of consumer credit, frequently to persons whom the seller well knows cannot afford further indebtedness. Over indebtedness makes a person easy prey for those offering credit at phenomenally high interest rates.

The clear public disclosure of credit charges will serve to protect the consumer.

When Senator Paul Douglas first introduced this controversial idea in the 87th Congress, with 21 cosponsors, he noted three compelling reasons why such a bill should be enacted. First, business ethics: to drive out the unethical lender. Second, economic stabilization: to encourage consumer restraint at times when interest rates were high. Third, invigorated competition: to enable the consumer to comparison shop for the fairest terms of credit.

In the 7 years since Senator Douglas and I first introduced this legislation, outstanding consumer indebtedness has nearly doubled, and interest rates are the highest in decades. Never has the need been clearer for the strongest possible consumer credit legislation.

The recent ghetto disorders give a new urgency to strong consumer legislation. Victimization by unscrupulous merchants and finance companies adds fuel to the fires of ghetto resentment. When riots broke out, looters turned first to those businesses which had been "gouging" them—selling inferior merchandise at inflated prices, frequently through the use of inflated credit.

Sargent Shriver, Director of the Office of Economic Opportunity, called the practice of gouging the poor "a major contributor to the frustration and despair which finally led to the tragic upheavals which have recently rocked Newark, Detroit, and so many other cities."

The provisions of H.R. 11601 were formulated to require clear disclosure of credit costs so that consumers can rationally decide whether to incur further debt. Full and uniform disclosure of credit costs permit the consumer to compare "bargains" and assist him to be a thrifty shopper. Disclosure should be uniform, based on annual rate, so that rational comparison is possible. Requir-

ing disclosure in advertising is part of this concept.

The inclusion of first mortgages is an important element, since mortgage indebtedness is often the largest single component of a consumer's credit debt. The homeowner should know the total cost of his credit, so he can estimate the advantages of paying off the debt on his home as soon as possible as compared to financing other purchases through additional credit.

The restriction of garnishment properly places a part of the burden for the responsible management of credit on those who extend it. If wages can no longer be garnished, the merchant and the finance company will be wary of overburdening consumers already heavily in debt.

Mr. Chairman, H.R. 11601, as reported with amendments, is changed in several respects. Certain important provisions, such as the regulation of margins on commodity futures, the ban on confession of judgment notes, and a Federal usury ceiling were not included and deferred for further study or appropriate action. I believe that regulation is needed in these areas.

Amendments have been reported in two areas which can only weaken the intent of the bill. H.R. 11601 has a loophole for loans where the credit charge is under \$10 and an exemption from the annual rate disclosure requirement for revolving or open-end credit. I urge that these amendments not be agreed to.

Truth-in-lending legislation should not be watered down. If the bill the House adopts is not strong, the maze of credit confusion will be only partly clarified—to the advantage of the unscrupulous who take advantage of the unprotected. Our responsibility not only to the consumer but also to the ethical businessman is to enact a uniform and comprehensive measure.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD on this bill.

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

There was no objection.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I rise in support of the truth-in-lending legislation and the efforts which are offered to broaden the scope of this legislation to include department store revolving credit accounts. This Congress must not deceive the American people by permitting them to believe that they are advised on their interest charges when one of the major items of interest, the department store charges, which currently run at 18 percent per year, are not covered by this legislation in its present form. The trouble with revolving credit is that the consumer gets revolved.

Many years ago in the Cleveland community, I was shocked to learn that the 18-percent interest charge assessed by department stores was not a condition of the contract of credit between the de-

partment stores and the consumer. When I first inquired into this matter in my community I was told by a department store which assessed the charge that the 18-percent interest charge was made under prevailing department store policies, by custom, rather than by any agreement between the consumer and the department store.

Subsequently, in my own dealings with department stores, I was shocked to discover through my own experience that it was not the policy of certain department stores to advise the consumer of credits to which he may be entitled. In my own situation, I paid a Cleveland department store twice for a suit which I purchased because I was twice billed and I issued two checks for the same purchase. Not until 2 years later when I audited my accounts did I discover that the department store owed me \$95 for a period of 2 years, never once advising me of my credit, never once paying me 1 penny of interest on my money which the department store used over this period of time. If it is proper to charge interest on unpaid debts it is equally valid to expect interest on credits.

Although most department stores are accurate and reliable in their accounting methods and very prompt to assess the 18 percent interest charge on the unpaid balance, there is one department store which operates in the Washington area which handles its records out of a New York bookkeeping office. This company has double billed me on several occasions and in checking around with other families in the Washington area, I have found 12 different situations in which this company has double billed accounts for consumer purchases. An operation such as this comes very close to defrauding the public with the use of the mails. It would be difficult to estimate the total amount of annual loss to the American consumer through department store bookkeeping errors which rarely redound to the advantage of the consumer.

Frankly, the best protection to these consumer losses is to reduce the degree of credit purchases and rely more extensively on payment for purchases by personal check.

The unfortunate thing is that department stores are more in the banking business than they are in the selling business. Apparently they make more money on the 18-percent interest charge than they do in the selling of merchandise. While credit accounts are apparently expensive to maintain and an added burden on the consumer by increased consumer prices, the cash purchaser gets practically no incentive for buying providently and paying for his purchase when he makes it. Very often it is more difficult for him to correct a breach of warranty or to return a misrepresented product unless he carefully saves the purchase receipt.

It certainly is not in the public interest that interest charges by department stores on any unpaid balance are not indicated on the bill or identified as such. Even if the annual interest rate is not indicated, the interest charge on the unpaid balance should be identified so

that the consumer is not misled in believing that the interest charge is a purchase.

Although I would prefer that interest charges on an unpaid balance be reported on department store accounts stating the interest rate on an annual basis, I would also like to insure that the interest rate on a department store account are clearly marked and identified as "charges for interest on unpaid balance."

This would help the consumer to clearly identify the interest charge even though the annual rate of interest is not printed or published on the account notice.

If the consumer can plainly see on his department store bill a separately, clearly identifiable charge for interest, it will clearly advise him of the total amount he must pay every month for interest on the unpaid balance and for any penalty in failing to pay his account.

If department stores are going to be in the banking business, we should clearly demand that they use banking methods so that no one is deceived and so that every consumer can clearly see what the credit privilege is costing him every month.

Mr. PATMAN. Mr. Chairman, I have no further requests for time. Since the time has expired on both sides, I ask that the Clerk read.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

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

SECTION 1. This Act may be cited as the "Consumer Credit Protection Act".

Mr. PATMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair (Mr. PRICE of Illinois), Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11601) to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency of temporary controls over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks in the RECORD

on the bill H.R. 11601 and include extraneous matter.

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

There was no objection.

APPOINTMENT AS MEMBERS OF THE U.S. DELEGATION OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86-42, the Chair appoints as members of the U.S. delegation of the Canada-United States, Interparliamentary Group the following members on the part the House: Mr. GALLAGHER, of New Jersey, Chairman; Mrs. KELLY, of New York; Mr. MURPHY, of Illinois; Mr. JOHNSON, of California; Mr. ST GERMAIN, of Rhode Island; Mr. PIKE, of New York; Mr. KEE, of West Virginia; Mr. ANDREWS, of North Dakota; Mr. STAFFORD, of Vermont; Mr. THOMSON, of Wisconsin; Mr. DUNCAN, of Tennessee; Mr. BROOMFIELD, of Michigan.

APPOINTMENT AS MEMBERS OF THE U.S. DELEGATION OF THE MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86-420, the Chair appoints as members of the U.S. delegation of the Mexico-United States, Interparliamentary Group the following members on the part the House: Mr. NIX, of Pennsylvania, Chairman; Mr. WRIGHT, of Texas; Mr. JOHNSON, of California; Mr. GONZALEZ, of Texas; Mr. DE LA GARZA, of Texas; Mr. SELDEN, of Alabama; Mr. FRASER, of Minnesota; Mr. SPRINGER, of Illinois; Mr. MORSE, of Massachusetts; Mr. HARVEY, of Michigan; Mr. WHALLEY, of Pennsylvania; Mr. DOLE, of Kansas.

APPOINTMENT AS MEMBERS OF THE U.S. GROUP OF THE NORTH ATLANTIC ASSEMBLY

The SPEAKER. Pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended, the Chair appoints as members of the U.S. group of the North Atlantic Assembly the following members on the part of the House: Mr. HAYS, of Ohio, Chairman; Mr. RODINO, of New Jersey; Mr. RIVERS, of South Carolina; Mr. CLARK, of Pennsylvania; Mr. BROOKS, of Texas; Mr. AREND, of Illinois; Mr. CHAMBERLAIN, of Michigan; Mr. BATES, of Massachusetts; Mr. FINDLEY, of Illinois.

RESIGNATION FROM COMMITTEE ON GOVERNMENT OPERATIONS

The SPEAKER laid before the House the following resignation from a committee:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 30, 1968.

Hon. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: It has been a privilege and honor to work with the many fine mem-

bers of the House Committee on Government Operations; however, I am submitting my resignation as a member of this committee effective immediately.

My association with and participation in the deliberations of this group will remain a pleasant and rewarding experience.

Sincerely yours,

BOB DOLE,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION TO COMMITTEE ON GOVERNMENT OPERATIONS

Mr. GERALD R. FORD. Mr. Speaker, I offer a privileged resolution (H. Res. 1051) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1051

Resolved, That Paul N. McCloskey, Jr., of California, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Government Operations.

The resolution was agreed to.

A motion to reconsider was laid on the table.

IGOR SIKORSKY—A GREAT AMERICAN

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

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

There was no objection.

Mr. PICKLE. Mr. Speaker, back in mid-December, I had the honor of attending the annual Wright Day Dinner of the Aero Club of Washington. At that time, all in attendance were delighted by Igor Sikorsky, a mild, soft-spoken man who is renowned as the father of the helicopter.

Sikorsky's work stands alone as a model of dedication and imaginative spirit, and it was for this reason that he was awarded the 1967 Wright Memorial Trophy. At the same time, I believe the comments he made that evening show the true value of a free man working on those projects and goals which most capture his own heart.

It is no surprise that America has fostered men like Igor Sikorsky, and at this point in the RECORD, I include excerpts from Mr. Sikorsky's speech, as they appear in the February 1968, issue of the Air Force magazine:

FREE MEN ARE THE TRUE PIONEERS

(By Igor I. Sikorsky)

(NOTE.—Igor I. Sikorsky, who was born in Russia and built airplanes in that country only a few years after the Wright brothers achieved powered flight in the United States, was recently honored for his achievements with rotary wings. Like the Wrights, he knew failure as well as success. It was in America that his efforts were rewarded.)

(NOTE.—The 1967 winner of the Wright Memorial Trophy was Igor I. Sikorsky, Russian-born inventor of the helicopter and contemporary of the Wright brothers. Mr. Sikorsky, now seventy-eight years of age and still a consultant with United Aircraft Cor-

poration, built and flew historic airplanes in his native country before he became one of America's outstanding aeronautical engineers. During his active career of almost sixty years, he grew to appreciate both the problems faced by aviation pioneers and the opportunity provided for them to do their pioneering in the free world. Acknowledging the award at the annual Wright Day Dinner of the Aero Club of Washington last December 14, Mr. Sikorsky shared his reflections with his friends. Here are some of his observations about the early days of aeronautics.)

The Wright brothers realized the immensity of the problem (facing) them and the definite risk of failure. I have witnessed such failures, and I know . . . the failures are just as much a tragedy as crashes.

Now, why is it that the Wright brothers succeeded when everyone else failed? I would say, strange as this may sound, that their approach was remarkable in their scientific ingenuity, common sense, truthfulness, and real ability. . . . They realized that building a successful flying machine is only part of the thing; learning how to fly it is the other part.

Therefore, the extremely correct approach, by way of gliders. Now, more than that, gliders call for very special conditions of terrain and weather, and so the Wright brothers studied these conditions, got information from proper sources in Washington, contacted the actual people and places, got a very complete . . . friendly letter and a fine letter, explaining the conditions from Captain Tate, who was, I believe, the Postmaster in Kitty Hawk at that time, and also in charge of the lighthouse. . . . To my mind, Kitty Hawk was a part of their success. Maybe they wouldn't have succeeded if they [had not] selected a spot difficult to reach, with its purple, gentle hills, with reasonably strong, uniform winds nearly every day. I have been there a multitude of times, and I observed this, and just as many of us admire the so-called Natural Bridge in Virginia, so I would dare to give the name to Kitty Hawk as the "Natural Wind Tunnel," because that's what it is.

Now, next, when the actual mechanical flight approached, another thing took place. Instead of trying to reach rapidly a success, trying to get some publicity with success, we see them steadily working, perfectly and accurately recognizing the difficulties of the problem and trying to eliminate it, and aiming at one spot, like a good general tries to cross and to smash the enemy just in one spot. . . . So they attacked the enemy of the unknown, trying to build a flying machine which would fly and postponing everything else, . . . even at the cost of compromises. . . . For instance, they put the pilot in a prone position, lying down; well, obviously impossible—a pilot must sit. But no; they put him lying; less resistance, quicker to success.

Now, other things. Every airplane must have wheels; the Wright brothers left wheels on the ground . . . reducing weight and drag in the new, young machine. Now, another thing: every practical engineer knows that you can cross a belt, but you should not cross a chain. It's wrong to cross a chain, and the bicycle men, brothers Wright, knew it better than anyone else. They crossed the chain, and made a mechanical flight by man, by years earlier than anyone else.

Hence, they started the pioneering period of flying. America can be proud that the pioneering period which they started . . . was completed and closed by another great American, Charles Lindbergh, and his wonderful flight of May 21, 1927, when he took off from New York and landed not merely in Paris, but in a definite spot, Le Bourget Airport. This flight of one man in a relatively inexpensive airplane, all alone, with no preparation whatsoever . . . produced a tremendous impression

all over the world, and in America, where the boost and impact on the development of aviation made by this flight was tremendous.

Now, I had a chance to talk with Charles on this subject, and I asked him why, "How would you go all alone?" This was his explanation: he wanted it, wanted to go alone, not with someone. Now, what he explained was this: He said, "When I go alone, I risk my life, not somebody else's, and my life, I am the master of it, I can do anything I want." Furthermore, "on the way, I may find difficulties, may find questions to solve. If I am alone, I am going to solve it. If there is another man, I'll want to consult with him. I don't want to risk his life; I can risk mine. I don't want somebody else. I want to be in total control of the situation."

My discussion with Charles was over a quarter of a century ago, but I remember it very well. Maybe the wording was different, but the meaning is correct. The man wanted complete freedom of decision and action. He took it; he took a risk with his own life, but he won, and he gave a tremendous push to aviation.

In connection with this, I would like to state the following: Here we see two cases where the individual initiative, individual work, and the total freedom to use both worked for the best, resulted in brilliant success and victory. And I believe that this is something which makes America strong, something which I hope we will stick to. Even now I am asked sometimes whether at the present time all this individual work is more or less over and the only way to do is by enormous organized masses of men disciplined and working on some scientific problem or other.

No doubt with such things as space travel or nuclear engines it could not have been otherwise, but outside of that there is still a wide field left for the initiative of an individual man, and therefore it is my firm conviction, approaching the end of my life and having seen something and having worked myself, that still nothing can replace the free work of free men; that's where real progress is . . . started.

Once done, it must be expanded. In the process of expansion, mass production, and so forth, why, obviously, the organization and so forth are entering the picture, but still, for starting, the man is the greatest single element which can do it, and the man, in order to do it and do it right, must have freedom, freedom of initiative, freedom of work, freedom to start something.

NASA AND THE BUDGET MESSAGE

Mr. CABELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CABELL. Mr. Speaker, I have studied the President's budget request for fiscal year 1969 with care, and, as a member of the House Committee on Science and Astronautics, I have reviewed the request for authorization and appropriation for the National Aeronautics and Space Administration with particular interest. It has been my opinion in the past that there are a number of areas in which Federal spending could and should be cut and I am pleased to see that some of these reductions have been made. However, I do not believe that the budget for NASA should have been reduced as much as it was last year and I

would be very concerned about reductions in this year's budget.

A strong and continuing interest in advanced science and technology is a necessity for any country that would be a powerful voice in the affairs of the world today. This is true regardless of stresses that may be placed on a country; indeed it is all the more important when a country is under pressures around the world and when some doubt its will or ability to meet its commitments. Therefore, I intend to review any proposals to further reduce the NASA budget, from which we as a nation gain so much of the science and technology that is produced in this country today with critical care.

Although the President's budget, which would provide NASA with \$4.37 billion of new obligational authority, is an austere one, there are encouraging signs this year for NASA that I would like to call to your attention. A year of what Administrator Webb characterizes as "rolling readjustment" to last January's fire has been capped with the stirring success of the first Saturn V launch last November and the first flight qualification of the Lunar Module or LEM, this month. The LEM is the vehicle in which later in this decade two astronauts will descend to the surface of the Moon and then rejoin the command and service modules and return to Earth. Recent months have also seen the successful completion of two remarkable programs of unmanned lunar exploration—the Lunar Orbiter program and the Surveyor program.

As we turn then toward the end of unmanned exploration of the moon and toward the period of manned exploration, the President's budget does provide the funds to carry on the Apollo program. Apollo, aimed at the development of capabilities enabling us to use man in space out as far as the Moon can proceed under this budget at a pace which retains the possibility of manned lunar landing in 1969. Although combined 1968-1969 funding for the follow-on Apollo applications program is about \$1 billion less than had been planned, NASA has been able to retain the flexibility, if the fiscal year 1969 budget is fully supported, to make a limited number of highly significant manned flights after the lunar landing, leading toward a Saturn V workshop in earth orbit in 1972. This Saturn V workshop can serve as the equivalent of an antarctic base to which explorers can go for shelter and around which they can begin to build the rudiments of what will someday be a permanent base in space for scientific and applied work.

Taking the view that we should not abandon the planets to the Russians, the President has recommended in his budget that we provide funds for continued planetary exploration in the early 1970's—with more modest expenditures and therefore more modest goals—but nevertheless with highly significant flights in 1971 and 1973. These flights include a rough surface landing on Mars in 1973 to test the Martian atmosphere and weather conditions on the surface. The budget also would provide for continued augmentation of NASA's aeronautics

work, including a doubling of aircraft noise research, and for continued steady expansion of space applications work from which we get communications and weather satellites and the most direct practical benefits from the space program.

Mr. Speaker, I am heartened by these positive signs and I commend to the Members of this body their thoughtful and careful consideration of the budget request for NASA this year.

IN DEFENSE OF THE CORNER DRUGSTORE

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

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

There was no objection.

Mr. STUBBLEFIELD. Mr. Speaker, I am glad to speak in the interest of the small businessmen of America and in the interest of better medical care for our citizens. On December 30, 1967, in New York City, the Food and Drug Commissioner, Dr. James L. Goddard, made several statements that will cause irreparable public harm for many years to come. By stating that the corner drugstore should be closed down within 20 years and that all prescriptions should be filled in hospitals and physicians' offices, the Commissioner turned the clock back 50 years on progressive and high-quality medical care and demonstrated an unawareness of the health needs of this Nation. His statements show a disregard for the American free enterprise system that has produced the world's best system of drug distribution through the Nation's 50,000 drugstores.

In some States it is said that the entire citizenry goes into a drugstore every 10 days. At least 15,000,000 people trade in a drugstore every day. As one who is familiar with the tremendous community and public health contributions of the Nation's drugstores, I am appalled by Dr. Goddard's remarks. Millions of people daily seek medical and public health advice and counsel in our drugstores. Apart from purchasing prescription products, there is a constellation of other products and services available in these retail pharmacies which are unavailable in other businesses. To demand their closing now, or within 20 years, is unthinkable. In many communities, hospital and clinic facilities are unavailable to provide prescriptions. In many other communities, the existing hospitals and physicians have no desire to engage in prescription dispensing activities that would imperil the retail drugstore's existence. In fact, the hospital and the medical personnel can be utilized for more important functions than for filling prescriptions. This job is for pharmacists in retail drugstores—all 50,000 of them.

The Commissioner is obviously motivated by a desire to remove over 100,000 of America's businessmen pharmacists from a free enterprise environment, and place them in a Government bureaucratic employee status relegated to the role of a

technician with no possibility of ever owning a business, or being their own boss.

It is incongruous that an official of the Food and Drug Administration, with few duties and responsibilities in this area, would launch an attack on the business community—especially when his professional life has been devoid of professional experience with the private practice of medicine and pharmacy. If the objective of Dr. Goddard, or any other Public Health Service officer or official of HEW, is to eradicate drugstores within 20 years, or any other members of the private sector such as private physicians, proprietary hospitals and nursing homes, then I feel that an investigation should be initiated immediately. In this instance, Dr. Goddard's intentions within 20 years are imminently clear, and constitute a collision course with certain disaster for America's drugstores unless we intervene.

The Food and Drug Administration deserves high praise for the long and dedicated service of many officials and employees and its image should not be tarnished by implementing the suggestion of the Commissioner as to the demise of the corner drugstore.

America's 50,000 drugstores exist today because their pharmacist owners have earned the respect and confidence of the consuming public. In the highly competitive retail market they deserve encouragement from the FDA and HEW—not harassment and threats of extinction within 20 years.

I continue to be a strong supporter of consumer protection policies but such policies should be developed and enunciated by officials who can make and follow through on value judgments and not by officials embarked on a course calculated to create hysteria and division by use of news conferences.

SOMBER WARNING TO DEMOCRACIES

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

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

There was no objection.

Mr. HALEY. Mr. Speaker, Mr. William R. Spear, the distinguished editor of one of Florida's great daily newspapers, the Fort Myers News-Press, has issued a timely warning to the people of the United States in his January 27, 1968, editorial, "Somber Warning to Democracies."

Speaking with a clear voice, Mr. Spear gives us vivid examples of what can befall our Nation if we do not put our fiscal house in order. His words should be heeded by all who want to continue to enjoy the great benefits we have enjoyed under our form of government.

The time has come when we must, as I have told my colleagues and my constituents, decide not what is desirable in the way of Federal programs, but what we can afford in the way of Federal programs. We must all face this problem as

realistically as Mr. Spear has done. I commend his words to your attention.

The editorial follows:

SOMBER WARNING TO DEMOCRACIES

"A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largess out of the public treasury. From that moment on the majority always votes for the candidate promising the most benefits from that public treasury, with the result that a democracy will always collapse from a loose fiscal policy, always to be followed by a dictatorship."

This ominous statement was penned nearly two centuries ago by the 18th century Scottish historian and judge, Alexander Fraser Tytler. The learned judge had in mind the fate of the Roman Republic. At the time he wrote, the American experiment had barely been launched and even England was far from what we would term a democracy.

But like the warning issued by his contemporary, Thomas Malthus, who claimed that mankind would ultimately outbreed its food supply, Tytler's words seem to have been directed especially at our own time.

Britons are learning that the good life for all is not something that can be decreed by government. Government can only dispense that which it first takes from the people. The harsh realities of economics have forced Prime Minister Wilson to tell his fellow citizens that from now on, less will be given to them and more will be taken from them to put the country's deteriorated financial house back in order.

It was with shock that Britons heard the news that, among other things, medicine would no longer be entirely free but they must now pay a small fee for their prescriptions. But it never was free. It was paid for out of the national wealth created by the productivity of the whole people.

We like to think that both Tytler and Malthus were unduly pessimistic. We like to think that the good life can be provided for those who have been denied it over the centuries, while still preserving initiative and individuality and personal liberty and holding the power of government within reasonable bounds. We like to think that men can use their reason and inventiveness to halt the population explosion before it is too late.

"Indeed, if we did not think these things, if we considered these dire forecasts to be inevitable and ceased our striving, then most certainly the prophesied doom would come to pass. Democracy is still on the ascendant in the world, and mankind has not yet bred itself off the planet.

Yet . . . neither have Tytler or Malthus been proven absolutely wrong.

BANK CRIMES: A CONTINUING PROBLEM

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FASCELL. Mr. Speaker, since it was established in 1963, the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations, of which I am chairman, has concerned itself with the problem of increased crimes against banking institutions. As one of its first pieces of business, the subcommittee held extensive public hearings, in which it explored the measures that were available to the Fed-

eral bank supervisory agencies to control the spread of bank crimes.

Following those hearings, a committee report was issued entitled "Crimes Against Banking Institutions"—House Report No. 1147, 88th Congress, second session. In the report recommendations were made to the Office of the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board for lessening the bank crime hazard. For example, the recommendation was made that these supervisory agencies establish an interagency committee to make a coordinated effort to lessen such crimes, through the collection and analysis of bank crime statistics and through the study and development of means of combating such crimes. We also sought to have the supervisors assist banks and savings and loan associations achieve greater security against such crimes through research projects, including the planning of the requirements of a model institution from the security standpoint, and the testing and evaluating of security devices and measures.

As was pointed out in the committee report, the Federal Government for many years has conducted educational programs on bank crime prevention, both through publications made available to the banking community and through conferences held throughout the country, in which law enforcement officers and bank executives are invited to participate. Various industry associations representing both banks and savings and loans also have participated actively in this educational process.

Unfortunately, as the increased rate of bank crimes only too vividly demonstrates, some bankers just do not take to heart sufficiently their need to protect their institutions against criminal assault, whether from robbers and burglars from outside, or from embezzlers from within their institutions. It was for that reason that the Legal and Monetary Affairs Subcommittee wanted the Federal bank supervisory agencies to take steps to have the institutions under their supervision maintain at least what might be called the basic requirements of security against crimes. Because the problem of controlling such crimes has not yet been solved, the bank supervisors must give it continuing attention.

I was therefore pleased to have the Honorable K. A. Randall, Chairman of the Federal Deposit Insurance Corporation bring to my attention a booklet which the FDIC is sending to the banks that are under its supervisory jurisdiction. I understand other supervisory agencies are also distributing the booklet, which is called "Criminal Assaults on Banks." In fact, I am so convinced that all banking institutions of whatever kind, Federal or State, should have its contents brought to their attention that I am inserting the pertinent portions of the booklet as a part of my remarks. The distribution of the booklet evidences not only an awareness of the problems that increased bank crimes present, but also the intention of the Federal banking supervisory agencies to

coordinate their efforts to deal with the problems.

Chairman Randall's letter to me follows:

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, January 26, 1968.

Hon. DANTE B. FASCCELL,
Chairman, Legal and Monetary Affairs Subcommittee, Government Operations Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a copy of a booklet which the Corporation is sending to FDIC-insured banks not members of the Federal Reserve System. The booklet, "Criminal Assaults on Banks," is designed to bring to the attention of banks the problem of bank robberies and lists various types of equipment and techniques available that banks can use to protect against this growing danger. The other banking agencies are distributing the same booklet to the banks under their supervision.

The distribution of the pamphlet is part of the coordinated effort among supervising agencies for lessening bank crimes through assistance to the banks in various forms, including examination and increased information. It also is in line with the recommendations of your Committee.

Sincerely yours,

K. A. RANDALL,
Chairman.

Enclosure.

The letter being sent to banks by the Federal Deposit Insurance Corporation is as follows:

FEDERAL DEPOSIT
INSURANCE CORPORATION,
Washington, January 30, 1968.

To the President of the Bank Addressed:

As a service to our banks, we are enclosing a copy of a pamphlet entitled "Criminal Assaults on Banks," which has been prepared in cooperation with the other Federal banking agencies and the Federal Bureau of Investigation.

The pamphlet describes the growing danger from bank robberies, burglaries and related crimes and stresses the need for adequate programs of bank security and protective measures. It describes several devices and techniques which have proved effective in protecting and safeguarding bank customers, personnel and facilities, and which also have assisted the Federal Bureau of Investigation and other law enforcement agencies in identifying and apprehending offenders in robberies and burglaries.

It is our hope that you will want to use the pamphlet as a basis for reviewing the protection being afforded your own facilities, customers and personnel.

If the Corporation can be of any help, please feel free to contact the Supervising Examiner of your District. Your local FBI Office also stands ready to be of assistance.

K. A. RANDALL,
Chairman.

The booklet "Criminal Assaults on Banks" contains the following information and suggestions:

CRIMINAL ASSAULTS ON BANKS: GROWING DANGER TO YOU

Bank robberies—and the critical danger to life and limb of bank officers, employees and customers—are increasing sharply across the United States. Burglaries of financial institutions are also growing at an alarming rate.

Statistics released by FBI Director J. Edgar Hoover show that an all-time high of 1,871 robberies, burglaries and larcenies of institutions covered by the Federal Bank Robbery and Incidental Crimes Statute were committed in 1966. This is more than four times the number reported a decade earlier. But the new record which was established in 1966

was smashed during the first 10 months alone of 1967.

Furthermore, the dollar losses suffered by victimized institutions have risen tremendously. Data compiled by the American Bankers Association show that losses to Federally insured banks resulting from robberies committed from January through June 1967, totaled \$3.3 million—compared with \$1.3 million in the same six-month period of 1966. These figures relate only to banks, and they do not include losses due to burglaries or larcenies—nor do they include the enormous cost to taxpayers of investigations by law enforcement agencies of these crimes.

A survey covering robberies of banking-type institutions in the United States during 1966 disclosed that the average amount of loot was \$3,986. Other statistics compiled and released by the FBI show a percentage increase for bank robberies far surpassing that for other robbery-type offenses.

RISING FREQUENCY OF SHOOTINGS AND BEATINGS

Accompanying the growth of criminal assaults upon banks and other financial institutions is a vastly expanding threat to the lives of bank customers, officers and employees. The threat of violence and death is inherent in every robbery; and as the number of bank robberies steadily rises, so does the danger to life and limb of bank personnel.

During the robbery of a bank in Virginia by four gunmen, two employees were savagely pistol-whipped, and a state police officer was wounded in the criminals' flight from the scene. In another case, three employees of a bank in the Midwest were shot and killed by a lone bandit—and in still another, two bank employees and a police officer were killed, and a second policeman and an innocent bystander were wounded.

IMPROVED CRIMINAL EQUIPMENT AND TECHNIQUES

The arsenal of weapons available to robbers and others who commit criminal assaults on financial institutions has steadily grown. During 1967, a new burning tool—one commercially available at a cost of less than \$10—came into usage in bank burglaries. This tool is capable of burning through a six-inch thickness of tempered steel in approximately 15 seconds. It can cut an opening in a three-foot wall of concrete in a matter of minutes.

SAFEGUARDING AGAINST SUCCESSFUL ASSAULT

Banks are attractive targets for assaults by criminals not only because they are repositories for large sums of money, but also because security and protective measures are grossly inadequate in many banks. Too often in recent years, there has been a tendency to emphasize comfort and convenience—regardless of effect on the security of the bank's operations. As a result, some financial institutions are lagging behind retail stores and other business establishments in the protection they afford against robberies, burglaries and larcenies.

Modern technology has placed increasingly more effective safeguards at the disposal of banks and other financial institutions. By their mere physical presence, many of these tend to deter or discourage crime. Among those available at low to moderate cost are:

At a cost of less than \$100, plus a nominal monthly charge, an alarm system can be installed which may have the effect not only of discouraging robbers, but also of immediately alerting the police if a robbery should occur.

Other alarm systems are specifically designed to protect against burglaries.

The value of robbery alarm systems is dramatically illustrated in the experience of an Eastern bank which was robbed by the same bandit on two occasions four years apart. At the time of the first robbery, the bank had no alarm system and the criminal made good his escape with more than \$7,500. Be-

fore his second assault, however, the bank installed an alarm system. It was used to alert police officers of the robber's return visit to the bank. They arrived in time to arrest the gunman and charge him with both crimes.

At a cost of less than \$100, some banks have installed a microphone and connected it to a loudspeaker in the home of a bank officer or at the local police station. One such security device led to the swift detection and apprehension of a gang of burglars who had broken into a bank in the Midwest. Another was directly responsible for the smashing of a gang of bank burglars who had committed a series of well-cased crimes against financial institutions in the South and Southwest.

Special protective cameras—both motion picture and sequence-type—have been purchased by some banks at a cost of approximately \$1,000. They are operated easily and inconspicuously by buttons concealed within the reach of bank employees. Furthermore, they can be used in combination with alarm systems so that a warning is sounded and the police are summoned at the same time that pictures of the robbers are being taken within the bank.

Among other protective and security measures in common usage by banks are:

Uniformed guards—trained and qualified in handling firearms.

Steel bars and gratings over windows, skylights, etc.

Bulletproof glass at tellers' windows, as well as two-way mirrors.

Adequate lighting both within and without the bank building.

"Bait" money (with the denomination, serial number and series year recorded), while not a protective device, is a valuable aid in the investigation of crimes against banks and should be used.

NEED TO ASSERT LEADERSHIP

Banks and other financial institutions should set the example for others to follow in the protective and security field. Never has the threat of criminal action been greater to banking institutions and their officers and employees. And never has the need been greater for effective programs and measures to safeguard and protect bank customers, personnel and facilities.

For a banking institution not to make use of protective devices which can be installed at reasonable cost is penny-wise and pound-foolish indeed.

U.S. PROJECTS IN AFRICA INVESTING IN HEALTH AND PROGRESS

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

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, I have some good news. I am not a Cassandra this morning, I have something pleasant to tell you.

Mr. Speaker, in an era when bad news—the stories of war and destruction which chronicle man's failures—seems to dominate the output of our mass media, it is particularly significant to note that much of the good news—the stories which chronicle man's successes—comes from black Africa.

In his state of the Union message, for instance, President Johnson told us that Vice President HUMPHREY, who recently returned from a trip through Africa, had

reported that there was a spirit of regional cooperation that is beginning to take hold in very practical ways.

Within days of this heartening report, two of our important newspapers carried news stories detailing the progress of just one of these practical regional projects—the long-range smallpox and measles eradication project which has already protected the lives and health of millions of people in some 18 African nations. Our distinguished Surgeon General, Dr. William H. Stewart, was recently in Africa to attend a ceremony marking the 25 millionth West African to be vaccinated under this project—truly a remarkable accomplishment in a few short years.

This program, financed by the State Department's Agency for International Development, is under the technical direction of the U.S. Public Health Service. It is carried out in the field in cooperation with the World Health Organization and two African multinational organizations, the Organization for Coordination and Cooperation in the Fight Against the Major Endemic Diseases in West Africa, and its counterpart in Central Africa.

At a relatively small expense the United States is investing in the health and progress of Africa. For the benefit of my colleagues and other readers of the RECORD, I insert the two newspaper articles reporting on this program, as follows:

[From the Washington (D.C.) Post, Jan. 16, 1968]

SURGEON GENERAL HONORS GIRL, 4: 25 MILLIONTH WEST AFRICAN VACCINATED WITH U.S. AID

ACCRA, GHANA. January 15.—U.S. Surgeon General Dr. William H. Stewart today presented four-year-old Rebecca Asamoah-Ampofo with a certificate for being the 25th millionth West African to receive a smallpox vaccination under a U.S. Government program.

Stewart, accompanied by Assistant Surgeon General Dr. David Spencer and Dr. Benjamin Blood of the U.S. Public Health Service, traveled to Mampong-Akeapim, 30 miles northeast of here, to make the presentation.

Anthony Astrachan of The Washington Post cabled this assessment of the vaccination program from Nairobi:

"The program was planned to benefit 19 countries at a cost of \$50 million over five years. The intention was to vaccinate every one of the 110 million people in the area against smallpox and all children between the ages of six months and four years against measles.

"The countries are among the 45 in the world that are the principal sources from which smallpox spreads to other nations. About 25 per cent of Africans who get smallpox die of the disease. Measles is much more serious in Africa than in the United States: Death rates of 20 per cent are common and they run as high as 50 per cent.

"The program would not be possible except for the development of a jet gun that sprays the vaccine through the skin at 1300 pounds per square inch. The hydraulic-powered gun, operated by a foot pedal, can do more than 1000 vaccinations an hour. The old scratch method of vaccination could handle only 100 an hour and wasted vaccine.

"The program is one of the few real successes of the regional approach that the United States is now plugging in Africa. The Agency for International Development is working with 18 countries (Mauritania dropped out when it broke relations with

Washington over the Arab-Israeli war), using personnel of the U.S. Public Health Service. Each country makes some contribution toward local costs and operating personnel. The program fits in with regional and continental programs of the World Health Organization."

[From the New York Times, Jan. 19, 1968]
U.S. PROJECT IN AFRICA MARKS FIRST YEAR
AND 25 MILLIONTH SMALLPOX INOCULATION

(By Alfred Friendly, Jr.)

BAMAKO, MALI. January 17.—Thirty-six American doctors and administrators and 1,100 West African doctors, administrators and technicians are laboring on a project to immunize some 110 million people in 19 countries against smallpox and measles by the middle of 1971.

The \$50-million program marked its first year, and the 25 millionth smallpox inoculation, this week at a ceremony in Ghana attended by the United States Surgeon General, William H. Stewart. After brief stops in the Ivory Coast, Liberia and Sierra Leone yesterday, Dr. Stewart and his party arrived Wednesday in the capital of Mali for a three-day tour of inspection.

They could scarcely have picked a better setting for observing both the successes and problems of the project. With more than 4.5 million impoverished people, a quarter of whom are nomads spread over 463,000 square miles—almost the size of Alaska—landlocked Mali is an area where measles and smallpox are endemic killers.

POVERTY HAMPERS MALI

Epidemics annually ravage a population that must subsist almost entirely on its own agricultural or pastoral produce. With no significant mineral wealth, Mali is so poor that its health education sound trucks did not have enough gasoline to tour the sprawling riverside capital last November to advertise an intensive measles vaccination drive.

The city government imposed a tax on posters a week before the campaign began, a fiscal measure that limited the display of 400 signs to a few medical facilities, where they were as good as invisible. Accordingly, a three-day drive resulted in the inoculation of 5,600 children from 6 to 36 months—probably a third of the total group in the most susceptible age range.

By contrast, a 10-day campaign last July in Ibadan, Western Nigeria, saw 12 medical teams administer nearly 709,000 smallpox shots and almost 70,000 measles injections. Using intensive publicity by poster, press, radio and television and a hydraulically operated jet injector, the teams calculate that they reached some 90 per cent of the population of Ibadan, West Africa's largest city.

FINANCED BY U.S. AGENCY

The program, financed by the United States Agency for International Development with supplemental funds from the World Health Organization, is administered by the United States Public Health Service. Since last year it has been operational in Cameroon, the Central African Republic, the Congo (Brazzaville), Chad, Dahomey, Gabon, Gambia, Ghana, Ivory Coast, Mali, Niger, Nigeria, Senegal, Togo and Upper Volta. Inoculations begin this month in Guinea, Liberia and Sierra Leone. The program's activities in Mauritania were suspended when that nation cut diplomatic relations with the United States during the Arab-Israeli war last summer.

Ghana, where the program officially began last January as a regional effort, staged a noisy reception Monday to celebrate the 25 millionth smallpox shot.

Gaudily robed chiefs of the Akwapi tribe, surrounded by drummers, interpreters, dancers and litter bearers, watched from one side of a soccer field as 3½-year-old Yaa Ansah Asamoah Ampofo had smallpox vaccine inject-

ed into her left arm. Yaa also got a handsome certificate from the Surgeon General, Dr. Stewart, and, a few minutes later, a measles shot.

INJECTIONS AND MUSIC

Meanwhile the playing field of the hill village of Manpong resounded to the strains of a brass band playing syncopated tunes. After receiving their smallpox shot injections, the village leaders went out into the sun for a celebratory dance and banquet.

In western Nigeria, Dahomey and Togo, cultists worship smallpox as the god Sopona, who is believed to have used the disease in battle to become ruler of the world. Devotees are forbidden to be incised by a needle during an epidemic and, since the god occasionally rests in trees, they may not go into the shade when the disease is rampant.

Witch doctors practice crude forms of quarantine and variolation, a method of injecting virus from a sufferer in those who have not yet fallen ill. While the technique is almost as old as the disease—the mummified remains of the Pharaoh Rameses V indicate that he died of smallpox about 1100 B.C.—variolation can spread, rather than contain, the disease.

More dangerous to the goals of the immunizations program, remarked Dr. George I. Lythcott, its 49-year-old regional chief, is the failure of the fetishists to report smallpox outbreaks.

Elsewhere, nonreligious obstacles arise. Program officials in Sierra Leone never refer to their work as vaccination, a term with mysteriously frightening overtones. "People will walk miles for an injection," noted the deputy chief medical officer in Sierra Leone, Dr. Evelyn Cummings, "but when you say vaccination they run into the woods."

Among the Fullani Tuaregs and Peuhls, nomadic tribes who drive their cattle along the southern edge of the Sahara through Mali, Niger, Chad and Nigeria, immunization teams have to make sure they are not mistaken for Government tax collectors. Once in northern Nigeria, recalled Dr. Lythcott, a survey group of epidemiologists nearly alienated their would-be patients until the doctors discovered that their local guide doubled as a revenue agent.

PHYSICAL OBSTACLES ABOUND

In many cases, the obstacles are physical. In the Niger River flood plain, from Mopti to Timbuktu, the four-wheel-drive trucks that normally transport the vaccine and teams often have to be abandoned. The jet injector, capable of making 1,000 injections an hour, is often of no value in desert and jungle regions where the settlements of fewer than 100 people are miles apart.

In Mali the program is on schedule. Its director estimates that a million people were inoculated against smallpox last year and expects that another million will be immunized by the middle of this year.

MORTALITY RATES HIGH

Mortality rates from measles run as high as 40 per cent of all cases, and no West African child escapes the disease. The effect of the vast drive against measles and smallpox, Dr. Stewart said, may be to "create temporary imbalances" between the pace of economic development and population growth. Nevertheless, African health officials at every stop on his tour declared themselves in favor.

Malaria remains the biggest killer in Africa, and sleeping sickness. Bilharziasis—a blood disease—leprosy and yellow fever are major problems, but they are also more expensive to combat and far more difficult to eradicate over large land areas. The aid agency spent some \$20-million last year on malaria eradication programs in 18 Far Eastern and Latin American countries but cannot even contemplate the cost of such efforts in the vastness of Africa.

A smallpox shot costs a penny, a dose

of measles vaccine 42 cents. The latter provides lifetime immunity. The former, with proper attention to the recurrence of the disease in nonimmunized areas, can eliminate smallpox from an entire population.

Among the major benefits of the drive, United States officials hope, will be in laying the groundwork for rural health services and in bringing French-speaking and English-speaking African nations into contact on regional health problems.

"We are extremely proud of this program," the Surgeon General said here Wednesday. "It does not solve all of Africa's serious health problems, but it makes a beginning, and a beginning that is right on target."

THE BRITAIN BACKERS

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ASHBROOK. Mr. Speaker, it was encouraging to read in the Chicago Tribune the other day about a "back Britain" movement which indicates a good deal of individual responsibility and collected dedication.

The January 14 Tribune reprinted an editorial, "The Britain Backers," from the Tulsa Tribune, relating how the employees of several small companies in England had gotten together and decided that by working a little extra for no increase in wages they would be helping out the country. They secured the promise from management that the additional efficiency, or production, would be passed along as lower prices.

This responsible assault on the problems of the British economy, not a few of which have been compounded by labor problems typical of the United States, is a tribute to both labor and management involved.

The overriding importance is summed up by this paragraph from the Tribune:

America had better take a good long look at what happened to Britain. For many of our industries are gradually getting priced out of world trade and we are learning that we can't fight a war, maintain heavy global charity commitments, and enjoy tourism to the far places if we do not remain competitive.

Here is the text of the editorial:

THE BRITAIN-BACKERS

British trade unions are furious about a wildcat movement, not to strike, but to work harder.

A few days ago employees of Colt Heating and Ventilating, Ltd. got together and reasoned thusly:

1. Britain had to devalue the pound because it wasn't producing enough goods cheaply enough to sustain its exports.

2. The devaluation will do no good if costs of production still continue to rise.

3. The obvious cure is to keep production up and prices down.

4. Therefore, the employees would work an additional half an hour a day at no increase in wages if the company promised to pass along the efficiency in lower prices.

A number of small firms have seen their employees join in and management has made the required pledges. The trade union leaders are in agony. For this reverses the traditional aims of unionism—higher pay, shorter hours, easier working conditions.

And, worst of all, Prime Minister Harold

Wilson, heading the Labor-dominated government of Britain, has strongly supported the "I'm Backing Britain" movement and wired his congratulations.

The trade union chiefs are probably right in their assertion that the movement can't last. Employees of the really big British firms haven't joined in, and after a while workers in the little factories will grow tired of working harder to save the country while the neighbors take it easy.

But, however impractical the movement, its basic wisdom is hard to question.

Britain, bedeviled by wildcat walkouts, ruinous dock and transport strikes, featherbedding, opposition to automation, etc., simply priced itself out of many of its markets around the world. British management was often equally guilty—complacent with easy old practices and comfortable as long as there was plenty of business at home. In consequence, Britain simply ran out of foreign exchange.

America had better take a good long look at what happened to Britain. For many of our industries are gradually getting priced out of world trade and we are learning that we can't fight a war, maintain heavy global charity commitments, and enjoy tourism to the far places if we do not remain competitive.

The devaluation cure is no real cure. Eventually, it is taken out of the hides of both labor and management in terms of higher prices for everything imported.

In the long run, there's only one cure. The nation just has to get back to work.

STATE DEPARTMENT COVERUP OF POSSIBLE FEDERAL VIOLATIONS

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ASHBROOK. Mr. Speaker, on December 7 of last year I inserted in the CONGRESSIONAL RECORD, volume 113, part 26, page 35505, the wording of a letter which I had forwarded to the State Department concerning the mutilation of documents in the Otto Otepka case, a charge which had been brought against Otepka but which was subsequently dropped. I specifically asked who was responsible for the mutilation of the documents and whether the case had been referred to the Justice Department for prosecution under section 2071 of title 18, United States Code, the statute which State accused Otepka of violating. Other questions in the letter, 11 in all, pertained to the taping of Otepka's conversations and the erasing of such tapes.

Here is the answer which I received from the State Department:

DEPARTMENT OF STATE,

Washington, D.C., December 26, 1967.
Hon. JOHN M. ASHBROOK,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ASHBROOK: The Secretary has asked me to reply to your letter of December 7, 1967, raising certain questions concerning the Department's charges against Mr. Otto F. Otepka. I sincerely regret the delay in this reply.

Secretary Rusk has completed his review and rendered his decision in the Otepka case; we have refrained from responding to recent queries concerning this case until its final phases within the Department were completed.

As you know, Mr. Otepka was charged with having violated a 1948 Presidential Order concerning personnel security matters which provides as follows:

"The efficient and just administration of the Employee Loyalty Program, under Executive Order No. 9835 of March 21, 1947, requires that reports, records, and files relative to the program be preserved in strict confidence. This is necessary in the interest of our national security and welfare, to preserve the confidential character and sources of information furnished, and to protect Government personnel against the dissemination of unfounded or disproved allegations. It is necessary also in order to insure the fair and just disposition of loyalty cases.

"For these reasons, and in accordance with the long-established policy that reports rendered by the Federal Bureau of Investigation and other investigative agencies of the executive branch are to be regarded as confidential, all reports, records, and files relative to the loyalty of employees or prospective employees (including reports of such investigative agencies), shall be maintained in confidence, and shall not be transmitted or disclosed except as required in the efficient conduct of business."

Normally, the Department avoids discussion of adverse action proceedings against its employees in order to protect the employees' interests and to foster sound personnel relations. This practice is in keeping with the exemption provisions of the Freedom of Information Act covering "matters that are . . . related solely to the internal personnel rules and practices of any agency . . . and personnel and medical and similar files the disclosure of which would constitute clearly unwarranted invasion of personal privacy. . . ."

However, in view of the widespread interest that has been shown in this particular case and the fact that much information concerning the Department's decision had already been released from other sources, we have publicly confirmed the following:

Effective December 13, 1967, the Secretary found that Mr. Otepka had violated the above quoted Presidential Order and ordered that he be severely reprimanded, reduced in grade, and transferred to a position for which he is qualified but which does not involve personnel security matters.

The situation now is that Mr. Otepka has appealed the Secretary's decision to the Civil Service Commission, and we are awaiting the outcome of that proceeding.

I regret that we are precluded by the above considerations from discussing the detailed points raised in your letter, but we earnestly believe there is an important question of principle involved.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary for Congressional
Relations.

This is, of course, a typical State Department brushoff. The overriding factor in the case is whether the possible violation of a Federal statute shall go unpunished. Otepka claims that he is not guilty as charged, and he is more than anxious that the real culprits be apprehended. Mr. Otepka does not wish that the mutilation charges be swept under the rug as State apparently is endeavoring to do. In his letter of appeal to the Civil Service Commission, Roger Robb, Otepka's lawyer, states:

It has been Mr. Otepka's position at every stage of these proceedings that the charges against him were a subterfuge and were not brought in good faith, but were contrived pursuant to a wrongful scheme and design to harass and destroy him.

The letter continues:

In exploring the issue thus raised it is important to determine the identity of the person or persons who clipped the documents alleged to have been found in Mr. Otepka's burn bag, the identity of the person to whom the recordings of Mr. Otepka's telephone conversations were delivered, and the precise facts surrounding the erasure of these recordings, if they were erased. It is our belief that these undisclosed individuals were agents of those who schemed to destroy Mr. Otepka, and that disclosure of their identities will lead to the identification of their principals, whom the Department of State is attempting to protect.

Unfortunately, the Civil Service Commission has ruled that it will not consider the mutilation charges as part of Otepka's appeal but will only rule on the first three charges as originally entered by the State Department.

The mutilation charges are a very vital part of Otepka's defense. State argued that Otepka should have gone to his superiors before giving the documents to the Senate subcommittee. Otepka counters that there was a conspiracy afoot to get rid of him and that the ordinary channels were not open to him. In the Otepka brief which appears in the CONGRESSIONAL RECORD of December 14, there are detailed the various devices by State Department officials to get rid of Otepka. The mutilation charges are pertinent to the case because they prove further that there was a concerted effort to oust Otepka.

One explanation of why State wants no part of the mutilation charges was offered by the Government Employees Exchange of May 31, 1967. I have cited this claim before, but it bears repeating. The Exchange, which has done an excellent job on the Otepka case, stated that the mutilation charges were dropped by State for fear that Otepka had obtained the identity of the persons actually involved in the mutilations and would expose them at the hearings, thus necessitating action by the Justice Department for violation of a Federal statute. Even more damaging, according to the Exchange, was the fact that those guilty of the mutilations "have already indicated that they will reveal the identities of the 'top persons' in the Department of State who had instructed them to 'mutilate' the documents and to 'plant them' in Mr. Otepka's burn bags in such a way as to make it appear that Mr. Otepka had carried out the mutilations."

The fact of the matter remains that Otto Otepka is the one who is eager to have the mutilation charges brought to public view and let the chips fall where they may. The validity of the Civil Service Commission's decision will be explored further, but for the time being a swift disposition of the Otepka appeal before the Commission is in order so that any necessary court action can be initiated.

Meanwhile back at State, they can expect further inquiries and publicity regarding the possible violation of Federal law in mutilating the documents.

Because of the many aspects of this case which cross the jurisdictional limits of the various House committees, perhaps the only solution is the establish-

ment of a House select committee to get to the bottom of his mess. And perhaps it will take another 4 years before it is over.

But regardless—justice will be done.

IN SUPPORT OF THE POST OFFICE

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

THE SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

MR. OLSEN. Mr. Speaker, I have heard so very much criticism about the Post Office Department that I think we should call attention to the fact that there should be some statement about what is right with the Post Office Department. Because of my privilege to be a member of that committee that advises with the Post Office Committee, I thought I could say something about it.

It is easy to criticize a Federal agency and say it is doing a poor job. It is more difficult—but a lot more useful and certainly more in the public interest—to be constructive, to offer feasible alternatives. This is particularly true in the case of criticism that has been leveled at the Post Office Department for not continuing to move the mails on the railroads.

Some postal critics seem to think we can go back to carrying the mail on the railroads. We cannot. Adequate passenger train schedules to carry the mail are not available. They simply do not exist.

In the 1930's there were 10,000 passenger trains available to carry the mail. Today there are less than 800. And about 70 percent of the trains were discontinued because the railroads decided to stop running them. They did not stop because the Post Office took the mail off of them. They were still carrying mail when they were discontinued.

Fast, dependable mail service requires a nationwide, interconnected transportation network. The railroads once constituted such a network. They no longer do. So the Post Office had to find other ways to move the mail.

And in a nation as large and as technologically advanced as ours the most logical way—in fact the best way even if the trains were still running—is by air. That is what the Post Office is doing. It has set up a system designed to make the best possible use of existing air, highway, and rail transportation.

And that system works. It is not perfect; it can and should be improved. But it can not be improved by publicity stunts that only demonstrate the obvious.

If you wait until a small post office has closed and the last dispatch has been made, and then deposit a letter, you know that letter will not be sent out until the following morning. Under those circumstances, if that letter is addressed to a relatively nearby point, you can indeed deliver it yourself by automobile—or maybe even by horse—faster than the Post Office will deliver it.

But this trick only proves that in some areas the post office does not operate all

night and a letter deposited after closing time will not be sent out until morning. It does not prove anything about the transportation system. It does prove that in some areas it is uneconomical for the post office to operate around the clock.

And I do not think any citizen would advocate keeping a post office open all night at great public expense just to accommodate a few pieces of mail.

The closing times of post offices are well known and those people really interested in seeing that their mail makes the last dispatch can usually arrange to have it at the post office on time.

In my home State of Montana there was a much publicized pony express run made from Three Forks to Pony to show that the mail could be delivered faster than the postal service is moving it. As I said a moment ago this is not difficult if you wait until the post office has closed to deposit your mail.

I suppose the so-called pony express run between Three Forks and Pony was made to show that the new postal transportation system does not work and the mail should be put back on the trains. But no passenger trains run to Pony or to Harrison, Montana, so the demonstration was meaningless.

There are, in fact, only two passenger trains a day in Montana on the Northern Pacific and two on the Great Northern. There has not been a north-south passenger train in Montana for years. And the railroads, not the Post Office were responsible for pulling off the north-south passenger trains in Montana.

The Northern Pacific, not the Post Office, said it wants to discontinue the Mainstreeter. The Great Northern, not the Post Office, is most interested in discontinuing the Western Star—and the railroad says it wants to stop the passenger service whether or not the mail continues to be carried on the train.

The Great Northern says it is losing \$14 million a year on passenger service and the revenue it gets from the Post Office does not begin to make up for a loss like that.

The blunt truth is the railroad service alone in Montana is not adequate to move the mail within the State, it must be supplemented by truck or substituted by air and truck. And rail service to Montana from the major business, professional and governmental centers across the Nation is equally inadequate—there is only the alternative of air supported by truck and bus.

Trains do not run often enough or fast enough to maintain good mail service between Montana and New York, Chicago, Washington, Los Angeles, San Francisco, and the other major points where most mail coming into the State originates.

It does not make sense to keep the mail on a few trains when it suits the purposes of the railroads. We can not operate the postal service for the benefit of the railroads. The railroads want to pick their spots. They want to say keep the mail on that train because they are going to keep running it, but take the mail off 10 or 12 other trains because it no longer suits their purposes to operate those runs.

When the railroads themselves killed more than 5,000 passenger trains over the past 30 years they destroyed the transportation network on which mail delivery was based. Now the railroads are complaining because the postal service has set up a different transportation network to replace the one the railroads themselves decimated.

I salute Postmaster General O'Brien for gearing the movement of mail to the speed of flight. This changeover was desirable as well as inevitable. I also welcome the Postmaster General's announcement that he plans to ask the Congress to abolish air mail as a separate service and merge air mail and first-class mail into a single priority service.

I strongly advise the people of Montana to begin immediately to use first-class mail for all letters within the United States that they used to send air mail. They will save money and in almost every case they will get just as good service by first-class as they will by air mail.

People in Montana and in the other States already are benefiting from the airlift of first-class mail. In Montana the airlift has made it possible to get overnight delivery on virtually all first-class mail staying within the State. Before the airlift it was impossible to get overnight service throughout the State.

Second-day delivery is now the rule rather than the exception on first-class mail coming into Montana from major metropolitan areas anywhere in the country. This service also would be impossible if the mail were still being delivered by train.

As I said before, I am fully aware—and I believe the Postmaster General is also aware—that there is room for improvement in the postal service's new transportation network. Airlines now provide much better schedules for the movement of mail than the railroads are able to offer. But the service provided by scheduled airlines must be augmented by the use of air taxis.

The postal service must not be operated for the benefit of the airlines any more than it should be run to suit the railroads. If the airlines passenger schedules are not adequate to meet the demands of the postal service then air taxis and air cargo planes should be used to move the mail.

The postal service must be responsive to the needs of the public and the business community. However, the postal service can not meet the needs of its customers unless it knows what those needs are.

Any businessman who is having trouble getting the postal service he needs should check with his local postmaster. Where service deficiencies exist they can be solved through cooperation of the postal service, its customers and the Congress.

But nothing will be gained by calling for a return to a transportation system that exists only in history books.

THE PLIGHT OF THE MUSHROOM INDUSTRY

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

The SPEAKER. Is there objection to

the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, I have long advocated the protection of American business and labor from unfair foreign competition, and will continue to work for the passage of legislation to provide a complete and sane adjustment of our foreign trade program.

I wish to include a timely article from the January 27 edition of the Leader Times of Kittanning, Pa. The plight of the mushroom industry, as depicted in this editorial, is one that the present administration must take into consideration before another industry is impaired by excessive cheap imports.

SUCCESSFUL AID CAN BOOMERANG

The problem which presently confronts the domestic mushroom industry in the United States is not one to be passed off lightly. The problem is most acute in Armstrong and Butler counties which boast one of the largest underground mushroom-growing operations in the world.

The Pennsylvania Secretary of Agriculture and other experts last Wednesday called on the federal government to combat an expected sharp increase of processed mushrooms from Taiwan and Korea. Speaking for 1,000 Pennsylvania mushroom growers, they said Taiwan contemplates an increase of 80 per cent in its production, most of which is scheduled for export to American markets. Taiwan could export 29.5 million pounds of mushrooms to the United States in 1968, or about 60 per cent of the market.

And Pennsylvania's \$80 million-a-year mushroom industry is conducted in Chester, Berks, Butler and Armstrong counties.

To be perfectly selfish, we are concerned with the production, the jobs and the spin-off benefits from the operations of Butler County Mushroom Farms, Inc., at Buffalo Valley in Armstrong County. Untold hours of effort on the part of public and private groups were expended before that company was able to expand its operations into this county.

There is no question that the influx of foreign-grown mushrooms will affect the area economy. We are told that the price American processors are paid has dropped from 35 cents a pound to 27 to 30 cents a pound.

Spokesmen for Pennsylvania mushroom growers have recommended that the federal Agency for International Development and the State Department divert its efforts from the expansion of the mushroom industry in foreign countries to other economic endeavors. The deputy AID Administrator contends that Taiwan and South Korea have made every effort to become self-supporting without American aid. Part of that self-support effort has been the export of mushrooms which can be harvested and marketed cheaper in Asia than in the United States.

And Sen. Hugh Scott pointed out that the United States went to those countries and showed them how to develop their mushroom industry for bigger and better markets.

And here is the dilemma.

Americans are becoming increasingly critical of foreign aid programs which they regard as "give-aways". Most Americans see great value in helping countries throughout the world to become independent of any foreign aid.

But, the more successful these self-help programs are, the more we provide competition for ourselves.

Our AID program apparently has been successful insofar as Taiwan and South Korea are concerned—so successful that these sources of supply now constitute a threat to our domestic growers. This will almost in-

evitably be the pattern in economic development overseas no matter the product.

The more those countries become self-dependent, the more they will compete with domestic industry.

It's the old story: You can't have your cake and eat it, too.

Will we continue to support development of industry in underdeveloped countries—and face the competition that will result, or will we undertake public assistance programs that will produce no real hope for those countries and no real progress on the international scene.

We offer no answers. Perhaps someone else can.

I am particularly alarmed at the adamant position of the President. His remarks to the Consumer Assembly on November 2, 1967, give a clear insight into his thinking and uncompromising attitude on this issue. He said in part and I quote:

Protectionism is rearing its head in the form of certain quota bills now before the Congress trying to take care of each Congressman's district. And when we begin to think more of our district than we think of the country, we are likely to get into trouble.

Those proposed quotas would invite massive retaliation from our trading partners throughout the world. Just the little publicity that has been spread around the globe has them all concerned and up in arms.

Prices would rise. Our world market would shrink. So would the range of goods which American consumers chose when they buy.

I think those protectionists' bills just must not become law. And they are not going to become law as long as I am President and can help it.

PLIGHT OF THE DOVES

Mr. WYMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. WYMAN. Mr. Speaker, those who would run out in Vietnam—or apologize for the U.S.S. *Pueblo* being on the high seas—or decline to confront Communist force with force in the conduct of our foreign affairs, contribute to aggression by encouraging the belief that America is indecisive in its will to fight for freedom. When former Secretary of State Acheson indicated we might not fight for Korea—that it was expendable—the stage was set for Communist infiltration which is just what happened. The seeds of that conflict have sprouted into a tree of hostile armed trunks without any real peace in Korea, blossoming into the *Pueblo* incident last week.

An excellent editorial of David Lawrence in the February 5, 1968, issue of U.S. News & World Report points out so well that those who cry appeasement in reality are prolonging the war in Vietnam. I think it is important that the American people should understand this and am including it in the RECORD at this point. What good does it do to stop our bombing if the enemy will not?

To what avail is it to cry negotiate when there is no one in the enemy camp willing to negotiate except at the price of virtual capitulation on our part? How silly can one get? Except of course that

it is not silly at all rather it is tragic because we are indeed at war and Americans are dying at this moment in part because of just such misguided talk raising doubts in the enemy's mind whether we are of a mind to do what it takes to win a military victory in Vietnam or retake U.S. naval vessels stolen from us on the high seas.

THE "DOVES" CRY PEACE BUT PROLONG THE WAR

(By David Lawrence)

The United States is passing through one of the strangest periods in its history. It is engaged in a war involving 500,000 of its troops and a substantial part of its Navy and Air Force. Yet the real enemies are not officially identified, and the government of a small country with limited resources manages to inflict upon us tens of thousands of casualties.

At home, moreover, "anti-war" demonstrations are numerous, and the people are being told by some members of Congress that the troops should be withdrawn and the objectives of the war abandoned.

No Senator or Representative who calls for peace at any price will admit, of course, that this could result in a humiliating defeat for the United States.

Demands that the bombing be stopped fill the press and radio and TV. Several members of the Senate and House and of various organizations, including college professors and others who ought to be better informed, are insisting that the tactics of the military men who shape our strategy should be reversed by the President.

Directly and indirectly, Washington has been begging for peace for many months. Through ambassadors and ministers abroad, the United States has asked government after government to "feel out" the other side and arrange a negotiation. The United Nations, which is supposed to be a peace-keeping organization, has also been requested repeatedly to devise a formula for peace. But North Vietnam is unresponsive.

Why does the government in Hanoi continue to refuse to agree to a conference?

The answer is plain. It is because the impression is given by the so-called "doves" in the United States that this country will eventually withdraw its troops without any previous agreements or conditions. Hence the North Vietnamese are convinced that, if they keep the fight going for two or three years, they will win. They can then take over and establish a Communist regime for all of Vietnam, thus benefiting the governments in Peking as well as Moscow.

It is known that the Soviet Union is spending \$6 billion a year to assist the North Vietnamese, and Red China is furnishing substantial aid, too. Yet the United States has never revealed the data it has gathered about outside influences and funds behind the Hanoi Government.

The "doves" in this country make speeches day after day intimating that the American people are "tired of the war" and that in the November election the policies of the Johnson Administration will, in effect, be disapproved by the voters.

Lots of Americans, to be sure, who disagree with the Administration's policies on domestic affairs will have a hard time reaching a decision in the coming election. The question will be whether removal of the Johnson Administration from power would strengthen the belief abroad that the United States is ready to pull out of Vietnam.

The President, though confronted with a growing dissent in opposition to the Vietnam war, has not said anything to indicate that he will weaken his course. He has expressed again and again this nation's desire for peace. But he insists that there must be reciprocal action—pledges that, while the

talks go on, American forces will not be attacked. This is a reasonable request.

The "doves," however, have not changed their point of view. They feel that the United States should wiggle out by any means, irrespective of considerations of prestige or commitments to our allies.

The amount of encouragement derived by the North Vietnamese from the "doves" in America is considerable. The Vietnam war would not have lasted as long as it has already if it were not for the stimulus given the enemy by the speeches of the "doves."

The need of the hour is unity. Unless the American people unite behind their Government, the Vietnam war may continue for several years.

We have witnessed in the last few days a bold attempt by the Communists to renew the Korean War. They evidently think our military power in Vietnam will be weakened if we have to reinforce the units stationed in South Korea to guard the armistice line there. This confirms the theory that, if South Vietnam comes under Communist domination, other countries in Asia will also be the victims of aggression.

Firmness is, therefore, more than ever necessary.

The American Government has made a pledge to the people of South Vietnam which it cannot forsake. But as long as the "doves" in both parties present an image of a craven America eager to make peace on whatever terms the enemy may dictate, the chances are that the fighting will go on indefinitely.

The responsibility for this will clearly rest on the "doves," who cry out for peace but are actually prolonging the Vietnam war.

CHICKENS TO ROOST

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. ZWACH] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ZWACH. Mr. Speaker, in the Sixth Congressional District of Minnesota, which I have the honor and privilege to represent, there is one predominant theme appearing on the editorial pages of the 87 weekly and six daily newspapers of the area, the economic decline of the family farm.

One of the most knowledgeable and vocal editorial writers on this subject is Mr. O. B. Augustson of the West Central Daily Tribune at Willmar. At this point I would like to insert into the RECORD his most recent editorial on this matter, "Chicken to Roost".

CHICKENS TO ROOST

During the greater part of the past decade one has noticed and been told that millions of small farmers have moved off their acres. Forced to quit operations because of the price-cost squeeze, they simply could not continue operations without an adequate market price. The price not increasing or even being less while everything they buy going up in price.

In Minnesota some 3000 farms a year are going out of business. Some still hanging on by obtaining some part time jobs in a town. Two jobs to keep going.

In the meantime nothing has been done to stop this trend. The small farmer left on his own and the loss of the small farmer has hit every rural community. Our West Central area has had its share of this as a look thru our countryside will easily reveal.

Where have these rural people gone? To

their rural towns? Perhaps some of them but not so many. Most rural towns are not fortunate enough to have a sufficiency of jobs. Unless it be that factories have moved in enough numbers into those rural towns to provide more jobs and more employment.

But this has not happened. Industry is more and more concentrated in the big cities, in the metropolitan area, in their suburbs and in adjacent county areas and within the shadow of the metro area.

So the reports are that folks out of rural areas, not finding jobs in their own towns have hiked for the big cities. They have poured into those big cities by the thousands during recent years.

Were they all absorbed? No, it seems that reports are coming out of those big cities that there is a growing shortage of jobs. There come to our desk such information from many sources, some of them governmental agencies. The federal government is concerned about this new development. Understand that in Washington they are considering some form of public works again like in the old depression years. WPA, PWA?

Meanwhile they also talk about rural poverty. That something must be done with such poverty in the rural areas of the nation. All sorts of remedies are getting attention.

Well—have the chickens come home to roost? Were what is happening above, the kind of conditions in rural America when we had all our family farms intact? Not at all. We had no such poverty. On the contrary when farmers were receiving somewhat full parity there was prosperity on the farm and in the rural town. Remember those days? No farming area or any rural town was rushing to Washington asking to be bailed out. But that is what the big cities are doing just now, crying for relief to the federal government.

What a mess the country has gotten into. Happened because the basic industry of the nation has been both ignored and mishandled. Now the nation is paying the price for this grave mistake and it is going to cost the country plenty, plus all the headaches.

We have said it a long time and we repeat again if this country is building up its interurbias at the expense of rubbing out a wonderful countryside, it is going down the wrong road and one that it will some day severely regret.

A part of that day has arrived.

FARM ANSWER IS IN ORGANIZED STRENGTH

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. ZWACH] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ZWACH. Mr. Speaker, in our Minnesota Sixth Congressional District there are four major farmer organizations; the Grange, the Farm Bureau, National Farmers Organization, and the Farmers Union.

Generally, each of these organizations has its own legislative program, its own ideas about what can be done to better the sad economic plight of the family farmer. Many times, because these ideas are somewhat conflicting, favorable results have not been obtained and the farmers see themselves squeezed ever tighter by the cost-price disparity.

But, the farmers are learning. The organizations are beginning to cooperate among themselves to get agreement upon

a single program which they will then present to Congress for action.

Mr. Speaker, this movement started in our Sixth Congressional District about a year ago. Growth is slow but it is steady as indicated by the following editorial which appeared in the Appleton Press of January 18 and which I would like to insert into the RECORD at this time in order to share this thinking with my colleagues:

[From the Appleton Press, Jan. 18, 1968]

FARM ANSWER IS IN ORGANIZED STRENGTH

There's a glimmer of hope appearing, a hope concerning an answer to the low-income farm problem.

Last month in Montevideo, leaders of the three major farm organizations in Chippewa county met with the idea of working together to improve farm income. The outcome of the meeting was the formation of a group called Tri-Organization Council with members of the Farmer's Union, Farm Bureau and the National Farmers Organization making up the membership.

The feeling at the meeting was that the answer to the farm problem lies in collective bargaining. They are off to a good start if they set this up as their major goal.

Last week in Renlyle county a meeting was called at Bird Island to set up a County Tri-Organization council there. In Swift county two weeks ago County Agent Jim Edman called in leaders of the three county organizations to discuss "the farm situation." Another meeting is planned with the fruition expected to be the forming of a Swift County Farm Council.

As far as numbers are concerned, there really isn't a need for another farm organization. However, there is a crying need for an organization that will bring the leading farm powers together, working under one plan to raise the income of farmers.

One of the beauties of the Tri-Organization plan is that each of the present farm organizations can keep their identity while lending their support and power to help solve the biggest of all farm problems.

Farmers and farm organizations trying to "go it alone" will only be hurting the chance farmers have of getting a fair return for the production. The answer will not come from Washington or South St. Paul or any of the other buying areas, it has to come from the grass roots when farmers are strong enough to tell buyers what price they will sell for, not "what will you give me?"

BALANCE OF PAYMENTS

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. ZWACH] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ZWACH. Mr. Speaker, in order to try to correct the balance-of-payments problem that affects our Nation, the President on January 1 asked for curbs on foreign travel and private investments overseas.

Included in the total picture affecting the balance of payments are such things as exports, imports, tariffs, foreign investment, the dollar drain, the gold reserves, and our own unbalanced budget.

A press release submitted by the Trade Relations Council of the United States, this past week carried the findings of a

computer which was fed all of the related problems and was then asked to offer a solution.

The computer discovered that 147 manufacturing industries in the United States had an \$8.3 billion trade deficit in 1966. This deficit comes about by the entrance of \$12.7 billion of imports which compete with the products of these 147 industries. Our 147 industries exported \$4.4 billion, thus leaving a deficit of \$8.3.

The computer indicated that the balance-of-payments deficit would be reduced by \$1.8 billion by simply applying moderate quotas on the competing imports. This could be done by limiting the imports of these products back to their 1965 levels. An automatic annual increase in quotas could be permitted by matching the increase in exports. The trade relations group also stated that this quota plan, unlike travel and investment curbs, would not be subject to retaliation because the General Agreement on Tariffs and Trade specifically permits quotas to be used for balance-of-payments reasons.

It is significant to note that almost all of these 147 industries are directly affected by the 50-percent tariff cut in the Kennedy round. However, it is frustrating to note also that this list of products are the very same ones which came to Congress seeking help to slow down the crushing imports this past year. Enumerated in the list of industries are meat and dairy products, textiles, apparel, wood products, paper, leather products, steel, metal products, motor vehicles, sporting goods, and electrical equipment.

LEGISLATION NEEDED TO ASSURE STATES OF FEDERAL HIGHWAY FUNDS

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. NELSEN. Mr. Speaker, last week the President, through his Secretary of Transportation, announced that Federal-aid highway obligation levels during calendar year 1968 will be held approximately 5 percent below 1967 levels. This supposedly is essential to combat general inflationary tendencies in the economy.

The purpose of this move is to give the impression of a \$600-million saving in estimated expenditures in the Federal budget for calendar year 1968 and a resulting decrease in the deficit anticipated by the President. In fact, nothing could be farther from the truth. The Federal-aid highway program is financed on a pay-as-you-go basis out of the highway trust fund, not the general fund, and funds not spent on the program cannot be used in other areas to meet demands of the administration's free-spending programs. Both Members of Congress and State officials have expressed concern over this manipulation of our high-

way program to serve the political needs of the President.

I cannot help but think that there is a relationship between the cuts in this program and the efforts by the administration to force Congress to come around to its way of thinking on means to remedy the plight of our economy, especially its call for a 10-percent tax surcharge.

The liberties the Federal Government has taken with the highway trust fund since 1965 have disrupted highway building in every State of the Union. This includes both arbitrary cutbacks in obligation levels and delays in quarterly payments to the States. No one denies that the current state of our Nation's economy demands restricted spending but these adjustments need not and must not be allowed to affect the flow of this type of self-supporting trust fund. The strain caused by excessive Government spending was not caused by money expended on our highway construction but rather by many new administration programs. This strain can be relieved by cutting back on those same programs.

The Governor of the State of Minnesota has sent me a strong protest against the cutback which the administration has announced. In it, he points out the fallacy that a delay in this program is going to end up in any monetary saving. Costs of highway construction are increasing daily. In many cases, bonding programs are being used to speed up needed highway construction on the premise that the cost of interest is nearly parallel to the rising costs of construction.

The uncertain position into which contractors, laborers, State highway programmers, and allied industries are put by this constant stop-start manipulation of the program cannot help but boost the final total cost of the program. In this sense, the freeze of the funds could actually contribute to inflationary trends, rather than lessen them as claimed by the President.

I am introducing a bill which will assure that funds apportioned to the States for construction of Federal-aid highways may not be impounded or withheld by the administration.

Under unanimous consent, I include the letter which I received from the Hon. Harold LeVander, Governor of Minnesota, in which he sets out the situation we face in Minnesota as a result of the freeze that President Johnson has placed on the portion of the highway trust funds, at this point in the RECORD:

STATE OF MINNESOTA,
St. Paul, January 23, 1968.

HON. ANCHER NELSEN,
Longworth Office Building,
Washington, D.C.

DEAR ANCHER: The time has come when we must take a firm stand on the matter of highway programs in our nation. Since 1965, the Federal government has taken liberties with the Highway Trust Fund that have disrupted highway building in every state. Delays in quarterly payments were enough to upset the balance of our long-range programs, and the further aggravation of the cutback of November 1966 created unnecessary turmoil.

Now we are faced with an even more serious disruption of our plans by the unjustified, menacing cutting away of \$600 million

from the Highway Trust Fund allotments in 1968. This budget degradation would be bad enough, were it not for the fact that these funds are dedicated and collected only from road users. They should not be susceptible to the whims of the Administration.

The balance of the Highway Trust Fund at the end of fiscal 1967 was \$725 million. An expected apportionment for the current fiscal year was reduced from \$4.8 billion to \$4.4 billion, and allotments are running far behind. As chief executive of a vigorous, progressive state, I must protest this manipulation of dedicated funds.

National economics may dictate tight money controls and restricted spending, but these adjustments must not be allowed to affect the flow of dedicated, self-supporting trust funds. Payments to the states should be based entirely upon the availability of these funds.

In Minnesota, the effects of the Administration's fiscal policies for highway programs has had a telling effect. Not only has the Minnesota Highway Department had its planning crippled by the regressive actions, but the effects have been felt in each of the 87 county highway departments through the funds which are reapportioned for use on Federal aid secondary highways.

On October 1, 1965, the Federal government was a full three months and \$24 million behind schedule in releasing our Federal aid funds. As a result of the Administration's cutback of November 1966, the deficit has now reached \$43.5 million and we are confronted with another cutback which could swell the deficit to approximately \$51.5 million by the end of this fiscal year.

Of the \$111 million apportioned to Minnesota at the beginning of fiscal 1968, we have so far received \$40 million. We can look forward to just one more allotment before the end of the year, which was expected to amount to approximately \$25.5 million. Now, this, too, has been reduced, and we are now faced with the possibility of going into fiscal 1968 a full six months behind our anticipated programs.

As one of Minnesota's representatives in Congress, you are in a position to protect the sanctity of the Highway Trust Fund. It is in the best interests of your state and your nation that the revenues collected from road users be promptly put to their intended purpose. To insure this nation's burgeoning highway system for the safety and continued economic progress that the future requires, we must be confident of a consistent flow of highway funds to the limit of the availability of these funds.

The cost of highway construction is increasing. It is a fallacy to contend that delaying any of these programs will save money. In many cases, bonding programs are being used to speed up needed highway construction on the premise that the cost of interest is nearly parallel to the rising costs of construction. In addition, a much more urgent savings may be measured in terms of deaths, personal injuries and property damage caused by highway accidents.

There can be no doubt that this nation's highway programs are among the most important public programs ever undertaken by this or any other nation. It is more significant, however, that the funds for these programs are collected from those who use the highways, with the pledge that they will be used for that purpose.

For this reason, I am asking you, as a representative of the State of Minnesota, to urge action that will halt the manipulation of the Highway Trust Fund. Work for legislation, if necessary, to prevent further delays and reductions in the allocation of funds for highway programs. Stay the hand of the President and his Administration from diminishing the flow of this dedicated revenue. Keep the Highway Trust Fund inviolate

by insuring the disbursement of funds as soon as they are available.

Sincerely,

HAROLD LEVANDER,
Governor.

ELEMENTS FOR A REPUBLICAN VICTORY IN 1968

MR. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD and include extraneous matter.

THE SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MR. SCHWENGEL. Mr. Speaker, Robert Dahl, a young high school student from Muscatine, Iowa, won the Iowa Council of Republican Women speaking contest last year. His speech was entitled, "Elements for a Republican Victory in 1968."

I have had the pleasure of hearing Bob Dahl give his speech. He is an excellent public speaker and his remarks show a great understanding of the political processes and the issues which confront our Nation today.

ELEMENTS FOR A REPUBLICAN VICTORY IN 1968

(By Robert Dahl, Muscatine, Iowa)

In less than a year, the American people will go to the polls and vote. The outcome of this election will critically affect not only the political parties, but America and the world for years to come. The Grand Old Party stands at the crossroads, and if ever its value and worth will be put on trial and measured—it will be in 1968. The door to leadership of America is standing open, and the people have never been more receptive to a responsible party that can avert the desolate, dismal future that is the acknowledged image of the present administration. Surely, the Republican Party, if it is ever to fulfill its destiny, can recognize this great opportunity, interpret the needs, and present the program and the candidates in this most promising of all political atmospheres.

While the road to victory is never sure, and never without pitfalls, there are certain measures our party can take that will insure our being on a better thoroughfare than the road the Democrats will be traveling.

Their road will lead them through streets covered with the rubble of civil disorder—through neighborhoods where it is not safe to walk after dark—among crowds of angry citizens whose deserving dreams of civil opportunity and equality have been frustrated—over the steep hills of inflation—down into the mire of waste and ineffectual programs—across credibility gaps—past men who shout to their followers to destroy their own country—and on . . . and on—on a road that our foreign friends cannot understand—to the very end where many of our finest young men meet death on the battlefield of a war for which there seems to be no end planned or pursued . . . Across the entire nation, from the White House to the court house, Democrats will find it difficult to defend themselves in the upcoming campaign.

In a political climate so dangerous for the Democratic Party, Republicans can choose and build their road to success in 1968.

* * * * *

We Republicans must chart a clear, unmistakable course. While we cannot accept responsibility for the circumstances in which our country finds itself—we can let the American people know that we accept the

responsibility to put America back on the right track.

The elements for a Republican victory in 1968 are easy to define. We must relate our party and its program and its candidates to the real needs of the people of America and the world . . . Our success hinges upon our presenting ourselves as a party of high principles, strong leadership, unshakable unity, and hard work.

It is quite evident that the lack of principles in politics destroys rather than enhances popularity. We have been witnessing an administration which has tried all sorts of programs to appease and influence at any cost—programs which have failed to solve anything—and which have antagonized those who were supposed to have been helped.

We Republicans must recognize that the American people have pride in themselves and in their country. They want programs that are in the best interests of everyone, and that are morally right, economically sound, and geared to modern, changing America. Americans want to relate themselves to a practical program that builds on the best that is in them, and not to visionary political schemes which are aimed at their weaknesses. We have to be dedicated to high principles to cope with the numerous unpredictable issues we will be facing between now and election day. Our party has to be so firmly established in the minds of the American People as the party of responsibility and of principles, that no last minute schemes or issues will *break* the tie that binds the voter to a party he respects and trusts.

The Republican Party in 1968 must nominate and present as candidates, their strongest and most respected leaders. We must put forth our best men everywhere, even in those areas where for circumstantial reasons the odds may be against us. If we are to present our party as the party that merits the trust of the American people—Republicans must first make certain our candidates have earned that trust. You, as an individual Republican, must insist that our candidates believe in the principles underlying our program, that they be capable of effective leadership in the office they seek, that they be convincing in their contacts with people, and that they be deserving of this great political opportunity.

Once the Republicans have established their programs and have chosen their candidates, they should not forfeit their advantages by fragmenting themselves and by falling into the hopeless pit of disunity. Even the most amateur of politicians knows that there is no easier way to lose an election than thru confusing the voter by breaking off in all directions. . . . However, the Republican Party needs to relearn this fact. Unity must exist not only from the offices of the national chairman all the way down to each precinct worker, but even in the words and actions of every one of us. You and I can practice unity by never wavering in our support of our party, its program and candidates. We can further extend unity within our party by encouraging and demanding it between party members—especially our candidates. The very existence of unity within Republican ranks will convince American voters of our integrity as a political party.

However, a party, no matter how unified, is not successful if its individual members do not get out and work. *Hard work is absolutely necessary to win an election.* Unglamorous and non-publicized as some party jobs may be, the Republican party needs the active support of every one of its members. If you are really concerned about your party and your nation, you'll generously give of your time and abilities during the campaign next year. Naturally, organization of these efforts for our party must direct this work toward our unified goal. Your work in co-

operation with party officials, will determine the final outcome of the election. The necessity for plain, simple, hard work is an inescapable fact of political life.

Above the stormy clouds that over-shadow today's troubled America, the Republican party could stand for the hope and dream of a better nation. We must recognize this supreme opportunity, and take full advantage of it with a program founded on the unshakable principles of the Republican party, and reflecting the issues and moods of the current United States; with leadership, whose integrity and ability are worth the trust of every American; with unity, whose secure roots extending throughout a determined party will have us win together; and with hard work, performed out of sheer dedication to what the Republican Party stands for.

Americans are demanding a better road on which our nation can travel forward. It is up to Republicans to build that road and, in doing so, build the road on which we can win this coming election.

Program—Leadership—Unity—and Hard Work—These are the elements for a Republican victory in 1968.

NATIONAL JAYCEE WEEK

MR. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] may extend his remarks at this point in the RECORD and include extraneous matter.

THE SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MR. SCHADEBERG. Mr. Speaker, I would like to take this opportunity to again recall that last week was the "National Jaycee Week" and to pay particular tribute to the chapters throughout the district which I represent.

It is always impressive to meet with the young men who make up the Jaycee memberships in the various counties. While there may be a different emphasis in my hometown of Burlington where the local group has been selected the top chapter in the State of Wisconsin in 1961-62, 1962-63, 1966-67 for the Giesenberg Memorial Sweepstakes Award and the Racine chapter which is already busily planning their 1968 pageant to be titled "Drum Corps City of the World," all Jaycees are dedicated to community service.

I know that a great many of you on this floor today have been members of the Jaycees and that several of you have been privileged to be selected as men of the year in your various States. I feel that you would agree with me that the "Jaycee Creed" goes a long way in explaining the ultimate aims and goals of this remarkable group. If all Americans were to live by a creed such as this, we would be enjoying a greater United States and the world would be a better place in which to live:

THE JAYCEE CREED

We believe:

That faith in God gives meaning and purpose to human life;

That the brotherhood of man transcends the sovereignty of nations;

That economic justice can best be won by free men through free enterprise;

That government should be of laws rather than of men;

That earth's great treasure lies in human personality;

And that service to humanity is the best work of life.

BOB ARTHUR—AN OUTSTANDING AMERICAN

MR. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. McDade] may extend his remarks at this point in the RECORD and include extraneous matter.

THE SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MR. McDADE. Mr. Speaker, for 14 years Robert J. Arthur has been the living proof of the ancient adage: If you want something done well, give the task to a busy man.

For 14 years, in spite of the overwhelming responsibilities of editing a metropolitan daily newspaper, the Scranton Tribune, Bob Arthur has found time to serve as a member of the Scranton Redevelopment Authority. For 9 of those years he served as vice chairman. For the past 5 he has served as chairman.

In those 14 years, the face of the city of Scranton has changed greatly. Bit by bit some of the undesirable properties were razed, and now there is a growing acreage of new, attractive structures. New schools have risen, and new buildings as parts of established schools. A major fight against the devastation threatened by mine fires and mine subsidence has been mounted through the Scranton Redevelopment Authority. All these, and a host of other programs have come to pass under the wise counseling of Bob Arthur.

The city of Scranton has turned a significant corner in its development. Urban Development and Industrial Development are both enriching the aesthetic and economic life of the community. And for all of us who see this new growth and who are gladdened to watch this hope for the future develop, there will be an eternal debt of gratitude which we will owe Bob Arthur. In a difficult, time consuming, taxing job which he performed gladly for 14 years, Bob has done well. He has earned the right to withdraw now, when the ground is laid solidly, when others may take up the burdens he puts down.

With permission, Mr. Speaker, I append a news article, from the Scranton Tribune, and two editorials from the Scranton Times and the Scranton Tribune. The editorials certainly speak for all of us in the Scranton community:

ARTHUR LEAVES SRA: CITES OTHER DUTIES FOR RESIGNATION—AGENCY GROWTH NOTED BY EDITOR IN LETTER TO WALSH

Robert J. Arthur, editor of The Tribune and The Scrantonian, resigned Thursday from the Scranton Redevelopment Authority after 14 years service with the agency.

In his letter of resignation to Mayor James J. Walsh, Arthur stated "I have enjoyed and relished the opportunity to serve as a member of this organization in association with splendid citizens. It has been a self-rewarding task. Unfortunately, I find that other duties and obligations are such that I can no longer devote the time which I feel is

necessary to the multiple projects under the supervision of this agency. I am asking you, therefore, to kindly accept my resignation as of this date."

The mayor said he would forward a letter to Arthur thanking him for his services.

"Serving on the SRA is a very taxing, time-consuming job," Mayor Walsh stated.

"These men serve without remuneration and the people of the City of Scranton should appreciate the time Mr. Arthur has devoted for the betterment of the city," he added.

Arthur's resignation coupled with the expiration of the term of Bert Price next month will leave two vacancies on the SRA board. Mayor Walsh has not said whom he has in mind to fill the vacancies.

Arthur, a member and original vice chairman of SRA since its inception Feb. 24, 1953, was elected chairman of the renewal agency Feb. 27, 1963, serving as head of the agency for almost five years.

He was serving in his third consecutive five-year term on the redevelopment authority with his term due to expire in February, 1969.

The original SRA board included the late Thomas L. Moran, chairman; Arthur and the late Terrence F. Gallagher, vice chairmen; Thomas J. Walker, secretary, and Robert Long, treasurer.

Arthur was first appointed to the SRA by the late Mayor James T. Hanlon who re-appointed the newspaper editor to a second term in 1958. Arthur was appointed to his third term in 1963 by former Mayor William T. Schmidt.

In his letter to the Mayor, Arthur said:

"During the 14 years I have served as a member of the Scranton Redevelopment Authority, I have witnessed its growth from just another committee to a dominant position in Scranton's progress to redevelop, renew and remodel its image.

The redevelopment authority over these years has expanded its activities a hundred fold and is now a stable and permanent function of our economy. Its good work I am sure, will continue for years to come and to the betterment of our city."

After listing the reason for his resignation, Arthur told Mayor Walsh "Please be assured of my continued cooperation in all projects beneficial to the city's welfare and accept my appreciation for your courtesies and understanding."

When the authority was formed, its membership advanced the proposition that no substantial public improvement action could be accomplished without a "master plan."

Upon the advice of the authority, the late Mayor Hanlon, City Council and the City Planning Commission, initiated the first master plan. In 1964, the authority again was able to persuade the city to update the master plan program to assure coordinated public and private improvements if the plan were properly and nonpolitically executed.

Since this major SRA achievement, the renewal agency has undertaken 20 urban renewal programs which have been completed or are in the planning and execution phases.

In simple statistics, the 20 programs represent the development of a \$200 million community improvement program with \$80 million in public improvements already completed.

Some highlights in the history of the Scranton Redevelopment Authority include a number of firsts.

The agency was the first to use flood control funds as noncash grants-in-aid—\$24 million which represented close to \$15 million in activity.

It was the first governmental unit ever to compensate a homeowner and commercial establishments for any mine cave damage or to acquire damaged homes at their fair market value prior to caving.

SRA also was first to acquire state mine flushing funds as local non-cash grants-in-aid. Tens of millions in renewal activity have and will flow from SRA's having pioneered in this area.

Through the process of urban renewal, SRA was able to provide surface land in two projects. Eynon and Cedar East, where underground fires were contained. The fires, left to burn, would make large inhabitable areas in the entire West Side and lower South Scranton areas. This action alone was more than worth the SRA program.

The renewal agency also coordinated and provided the right-of-way for the Central City, North Scranton and South Scranton Expressways through the South Side Flats, Diamond and Lackawanna West projects.

Under the Diamond project, the Linden Street bridges and realignment of the street with Pettibone Street are planned.

Substituting its funds for city cash, the SRA has been able to widen S. Washington Avenue and Hickory Street, build the New Hickory-Broadway and S. Washington Avenue Bridges and build many other new streets and sidewalks such as Cherry and River Streets, Remington and Maple Avenues and many courts.

The authority sponsored and arranged for the new state park at the site of the former Lackawanna Iron and Steel furnaces.

In cooperation with the Scranton School District, the authority is providing several sites for new schools, and the school district aided SRA through its donation of the Franklin School in Central City and Horace Mann in the Riverside area.

The authority made a major contribution to higher education through its University project which provided land to the University of Scranton for its significant expansion program. The authority also afforded the area's principal private preparatory school with a new environment by facilitating its relocation from Mulberry Street and Wyoming Avenue to the former Women's Institute Building.

Through the SRA, 400 public housing units were allocated to Scranton. They are now completed in the form of the Adams Avenue Apartments, Bangor project and new housing for the elderly.

A total of 400 new housing units was obtained by SRA for future relocation resources at the Central-Tech, Riverside and Lackawanna West project area.

Through SRA's relocation program, hundreds of families obtained better housing; small businesses new and better location, and commercial firms more desirable facilities.

Two major and ultra-modern wholesale food facilities have been built on SRA land. Modern motel, shopping, warehousing and office buildings resulted from the renewal program.

The tax-free Keyser Valley area is now producing the initial wave of tax ratables.

FINE RECORD OF SERVICE

Robert J. Arthur, our esteemed colleague as editor of The Scrantonian-Tribune, has been a member of the Scranton Redevelopment Authority since it was created early in 1953. As one of the five original appointees of the late Mayor Hanlon, he was immediately elected vice chairman of the board and he moved up to the chairmanship in February, 1963. Thus he played a major part in the initiation and implementation of the SRA's urban renewal program which is changing the physical appearance of our city.

After 14 years of service, Mr. Arthur has resigned, explaining to Mayor Walsh that his other duties and obligations make it impossible for him to give the SRA post the time which he thinks it requires. The people of Scranton are in Mr. Arthur's debt for his unselfish service and his major contribu-

tions to the program which is making our city a better one. Like his SRA colleagues, Mr. Arthur has served without compensation, aside from the satisfaction which comes from participation in a worthy effort. We speak for the community in expressing appreciation to Mr. Arthur for his long and valuable service to his fellow citizens.

DISTINGUISHED SERVICE

(By Richard Little and Herman S. Goodman)

Because he is the editor of The Scrantonian and The Scranton Tribune, Robert J. Arthur quite naturally and understandably has not written editorially on the 14 years of service he devoted to the Scranton Redevelopment Authority, a distinguished service that began with the very inception of the SRA and continued until he submitted his resignation as chairman Thursday because of the pressure of other duties.

The modesty and innate sense of propriety prompting Bob Arthur to confine himself to the letter of resignation sent to Mayor Walsh are, of course, commendable.

But we, as publishers of The Scrantonian and The Tribune, newspapers ever conscious of their responsibilities to the community and its fine people, believe that Bob Arthur, though an editor, deserves in our newspapers the same expressions of gratitude and praise he would so readily extend to any other leader of the community on the occasion of a termination of unique public service.

As publishers, we are most proud that the late Mayor Hanlon, in establishing the redevelopment agency, chose our editor as one of the five original appointees to the agency. We are proud that the original panel immediately elected Bob Arthur as their vice chairman and that his tremendous contributions to the vital task of Scranton's redevelopment were recognized in 1963 by his selection as chairman of the authority.

Bob Arthur truly gave of himself, generously and unsparingly, to help and to lead in the monumental endeavor of starting and guiding to remarkable levels of achievement the redevelopment and revitalizing projects which have done so much to invigorate our community and position it for further progress and prosperity in the future.

Scranton is better, immeasurably better, for Bob Arthur's participation in the pioneer planning and the succeeding 14 years of work of the city's redevelopment. With the community at large, we are appreciative, grateful and full of thanks for what he has done.

MISSOURI RIVER BASIN

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. BERRY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BERRY. Mr. Speaker, the engineering report of R. W. Beck, Inc., indicating that it would be feasible to take Missouri River water out of the Missouri River Basin for use through the central plains States has caused quite a stir in the upper Missouri River Basin.

The Four-State Legislative Conference of Montana, North Dakota, South Dakota, and Wyoming has resolved that the four States should have prior claim to their water. This action should be joined by every State in the lower Missouri Basin. This is true because the upper basin States have given many

thousands of acres for dam and reservoir purposes to protect the lower basin States from flooding.

Now the time has come for the lower basin States to protect the upper basin States against loss of the water that is justly theirs to compensate them for the many acres sacrificed for flood control.

I have asked unanimous consent to insert a copy of House Concurrent Resolution 2 setting forth South Dakota's opposition to such a program.

PRESIDENT JOHNSON CLIMBS IN THE GALLUP POLL

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

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

There was no objection.

Mr. EDMONDSON. Mr. Speaker, the latest Gallup poll provides good reason for Democratic cheers.

The poll shows Lyndon B. Johnson up 10 points in popularity since October. And it shows, in Mr. Gallup's words, that:

Democrats are beginning to rally around the President as the leader and probable candidate of their party in the forthcoming election.

The evidence seems persuasive that Republican "victory" pronouncements a few months ago were premature, indeed.

As Gallup notes:

It was widely believed just three months ago that any of the leading Republican candidates could defeat the President in the coming election. . . . Today, however, the President leads each of these same men.

I think this lead will continue to grow and Lyndon Johnson will continue to gain in strength in the coming months as leaders of our party and our people.

Under unanimous consent I insert in the RECORD the latest results of the Gallup poll:

THE GALLUP POLL: APPROVAL OF JOHNSON MOUNTS TO 48 PERCENT (By George Gallup)

PRINCETON, N.J., January 27.—President Johnson's popularity continues to grow. In the latest national test, 48 per cent approve of the way he is handling his job, up a full 10 points from his October low.

Not since the period immediately following the Glassboro conference in June, when 52 per cent voiced approval, has the President's rating been so high as today.

It was widely believed just three months ago that any of the leading Republican candidates could defeat the President in the coming election. National surveys at the time in fact, showed each of the four most popular Republicans running ahead of the President.

One of these possible candidates, Gov. Nelson A. Rockefeller of New York, had as much as a 14-point lead over Mr. Johnson.

Today, however, the President leads each of these same men.

Three factors help explain the President's steady rise in popularity over the last 12 weeks:

1. The President appears to many persons to have a greater command of the situation today than he did previously and to be exhibiting a more aggressive "take-charge" approach to the Nation's problems.

2. A definite note of optimism concern-

ing the Vietnam war was recorded in a survey late last year. Half of all adults interviewed said we were making progress, while 41 per cent thought we were losing ground or standing still. Last July, 34 per cent said we were making progress, while 56 per cent held opposing views.

3. Democrats are beginning to rally around the President as the leader and probable candidate of their Party in the forthcoming election.

This question was asked in the latest survey, as in previous surveys:

"Do you approve or disapprove of the way Johnson is handling his job as President?"

Following are the latest results and trend since October:

| | [In percent] | | | |
|-----------------|--------------|----------|----------|---------|
| | January 1968 | December | November | October |
| Approve..... | 48 | 46 | 41 | 38 |
| Disapprove..... | 39 | 41 | 49 | 50 |
| No opinion..... | 13 | 13 | 10 | 12 |

The following table compares the latest findings by major population groups with those recorded in the October survey when the President's national rating was 10 points lower than today.

PERCENT APPROVING OF L. B. J. PERFORMANCE

| | [In percent] | | |
|---------------------|--------------|---------|--------------|
| | January | October | Point change |
| National..... | 48 | 38 | +10 |
| Region: | | | |
| East..... | 53 | 43 | +10 |
| Midwest..... | 46 | 36 | +10 |
| South..... | 44 | 33 | +11 |
| West..... | 52 | 38 | +14 |
| Sex: | | | |
| Men..... | 49 | 39 | +10 |
| Women..... | 48 | 37 | +11 |
| Politics: | | | |
| Republicans..... | 28 | 22 | +6 |
| Democrats..... | 65 | 53 | +12 |
| Independents..... | 28 | 30 | +2% |
| Education: | | | |
| College..... | 44 | 37 | +7 |
| High school..... | 49 | 38 | +11 |
| Grade school..... | 51 | 37 | +14 |
| Age: | | | |
| 21 to 29 years..... | 45 | 40 | +5 |
| 30 to 49 years..... | 49 | 39 | +10 |
| 50 and over..... | 50 | 34 | +16 |
| Religion: | | | |
| Protestant..... | 45 | 34 | +11 |
| Catholic..... | 53 | 48 | +5 |

ESTUARY OF THE POTOMAC RIVER AS SOURCE OF WATER

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. GUDE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GUDE. Mr. Speaker, I should like to call to the attention of my colleagues an editorial appearing in the January 28 issue of the Washington Post. The editorial deals with a proposal by Ellery R. Fosdick, consulting engineer for the National Parks Association, to use the estuary of the Potomac River as a source of water to help meet the needs of the Washington area. I feel that Mr. Fosdick's report should receive careful consideration as we study the development of the Potomac River basin and the future water requirements of the growing Washington metropolitan area on either side of the Potomac.

The article follows:

WATER FROM THE ESTUARY

Ellery R. Fosdick, consulting engineer for the National Parks Association, has submitted a report on Washington's future water resources which makes a strong case for relying on the estuary instead of on upstream dams and reservoirs.

He is much more optimistic about recovery of water from the estuary than the Army Engineers who have favored upstream reservoirs. His case has been strengthened by the obvious necessity of diminishing pollution of the estuary whether it is or is not to be a source of water. Many of the costs involved will be incurred, in any case. While the great supply in the estuary can never be made potable without treatment, of course, no other water available can be put into city mains untreated. The estuary is a marvelous fresh water storage resource—24 miles long before it reaches salt water. Here are more than 100 billion gallons of water in natural storage.

Fosdick thinks the discharge of the Potomac which now supplies the city will be adequate for many years to come except for a few summer months, and the deficiency can be made up by pumping from the estuary. The pumping stations required for this would cost far less than the elaborate system of dams and reservoirs proposed by the Army Engineers. Moreover, it would not disturb the ecology of the Potomac Basin as dams would.

The essential difference between the parks expert and the War Department engineers springs from differing views on the feasibility of recovery of potable water from the estuary. Surely this must be an ascertainable matter. The Secretary of the Interior is required by the Clean Water Restoration Act of 1966 to report on the Potomac by November 1, 1969. He has indicated that his study may be available sooner. It should be hurried up if possible for it will have an important bearing on further feasibility studies.

The quality and volume of the Potomac above Little Falls no doubt could be helped by better soil practices in the watershed, by small tributary reservoirs and other conservation methods. But the first thing that we need to establish is the usability of the estuary.

REPUBLICAN APPRAISAL OF THE STATE OF THE UNION MESSAGE

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. GERALD R. FORD] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, on January 23 a representative group of members of my party in the Congress presented our annual Republican appraisal of the state of the Union. At the suggestion of the distinguished minority leader of the Senate, Senator DIRKSEN, who, unfortunately, was unable to participate because of illness, our presentation of previous years was broadened to include nine members of this and eight members of the other body. Former President Eisenhower sent an inspiring personal message from California for the occasion. The joint Republican leadership of the Congress appointed the distinguished Senator from California, Senator MURPHY, and our distinguished colleague from New York [Mr. GOODELL] to coor-

dinate the presentation. They labored long and selflessly on behalf of all Republicans in the Congress to better inform the American people of our principles, policies, and programs. Under previous order of the House I am inserting herewith in the RECORD the full presentation including last-minute changes and portions deleted due to time limitations of television. I am most grateful to everyone who took part and assisted in this presentation and to the Columbia Broadcasting System which carried it to the Nation on an hour of live evening time.

THE STATE OF THE UNION: A REPUBLICAN APPRAISAL

(OPENING REMARKS BY GENERAL OF THE ARMY DWIGHT D. EISENHOWER, FORMER PRESIDENT OF THE UNITED STATES)

You and I—all of us—enjoy a precious privilege, that of living under the greatest self-governing society known to history.

To establish and sustain that society which guarantees to every citizen equal rights before the law, our Founding Fathers and intervening generations have fought hard in office. We are the beneficiaries of their work and sacrifices. A solemn obligation rests upon us today to do no less in our time. Not merely for ourselves but for our children and for the cause of human liberty on the earth. Under our two-party method of Government, it is essential that members of the Party not in power become convinced that new measures and directions are required to preserve and strengthen our free system. The reasons for their convictions should be made known to their fellow citizens. Tonight some of your elected Representatives in the Congress are presenting to you their views. We of the Republican Party welcome your thoughtful attention as these views are laid before you. We know that these are critical times for our beloved country—as critical as any I have known in my lifetime. The thought, the hard work, the dedication of every citizen are now required if we are to hold true to the ideals of human dignity and liberty that have meant so much to America and to the world.

INTRODUCTORY REMARKS

(By Senator GEORGE MURPHY of CALIFORNIA)

Six nights ago we listened to a dreary discourse on the Nation's problems—some of which have been with us for the last several years. There were no new or practical solutions other than—spend money—collect more taxes—and hope for the best.

Tonight my colleagues will present some Republican proposals—which we believe will be positive—progressive—and productive—so that the next time we hear a State of the Union Speech—there will be more to cheer about—less to worry about.

Our speakers tonight are expressing the thoughts of the American people—that was proved in 1966. The year 1966 was a very good year for Republicans. We won 47 more seats in the House, 4 seats in the Senate, 8 more Governors toward today's total of 26. It's a fact. In a majority of the United States we're the Majority party already. Why is this? It's because we are truly the party of the people.

There is no question that comes closer to home than taxes. As a matter of fact, you probably just got your income tax forms last week. In my lifetime, I have watched our federal system of taxation expand from a very gentle beginning, a puny penetration, into an all consuming monster which, if not restrained, may completely destroy the richest, the most productive society in all of history.

Possibly the most important citizen of all, the man who provides our food and fibre, is the American Farmer. He has been restricted, regimented, and regulated, scrutinized, analyzed, and subsidized. No one has been

treated more unjustly. The American farmer can out-plant—out harvest—out produce—and out perform any competitor—anywhere in the world—and yet we find him at the very bottom of the economic ladder.

The preservation of our federal system by elected Representatives is of vital importance to us all. This, we Republicans can handle more gracefully than the opposition—because we are trying to preserve what the Founding Fathers gave us.

To gather all the tax money and all the power into Washington—we Republicans feel is neither safe nor prudent.

This transition has already gone too far and must be reversed, before it's too late.

We in Congress are just as determined as our great Governors are to restore the rightful share of revenue and responsibility to all 50 States.

The right of every citizen of our land to equal rights under the law and to equal opportunity has always been a basic principle of the Republican Party—the Party of Abraham Lincoln. We had hoped that another of our new Senators—Ed Brooke of Massachusetts—could be with us to speak from his heart on this subject—but unfortunately he was unable to return from a long-planned tour of Africa to be present tonight.

The most tortured and tormented subject of our time is the question of the war in Vietnam—never have “the irresponsibles” run so rampant—never have so many unfounded distortions been wildly circulated and emotionally recited in order to weaken our national determination. And never has our national policy been so inadequately stated by our leaders.

I believe most Americans also feel that those who travel about the world preaching the violent destruction of America should be prosecuted under existing sedition laws—and if the law is inadequate—let's write some that will fit the conditions.

We hear a lot these days of the Hawks and the Doves—one desiring war—and the other demanding some sort of instant peace. I don't know anyone who desires war or violence—and I am aware of only a small, misguided group—publicized way out of proportion to their size—who wish to relive the mistake of the Munich and the mockery of Panmunjom.

INTEGRITY IN GOVERNMENT

(By Congressman WILLIAM A. STEIGER of Wisconsin)

It is an honor to appear on this program with former President Eisenhower. The return of the integrity he brought to public service and the conduct of national affairs is our goal.

Last week President Johnson tried to tell us we're really troubled because of too rapid progress.

I disagree. The reasons are deeper. There is more than surface unrest. The cause is not progress but years of over-promise and under-performance.

In 1966 I was one of 47 new Republican Congressmen who came here because Americans wanted a change and wanted new ways of solving old problems. While still a minority in Congress, we have tried to carry out your mandate for change.

We began by pressing for a permanent ethics committee in the House of Representatives. We were successful and intend to push for the high standards of conduct that you demand.

We came to Congress committed to make our government more responsive and more responsible. We have reinforced our Republican Leadership in fighting to reform the legislative branch of government. Congress must be modernized to serve you better. And that legislation is now awaiting House election.

We need a Clean Elections Law that will guarantee that you'll know what's been going on behind the scenes before you vote. And

that law must be on the books for the 1968 elections.

These and other measures can help restore the faith of the American people in their government.

Americans are impatient with mediocrity. So am I. Americans are not content to sit back and watch morality become a joke or responsibility become a plaything for politicians. Nor are we willing to watch politicians build a so-called great society of big government and little people. Our purpose is a great people.

We must pioneer in government as we have pioneered in technology. America's creative talent can and must provide a government equal to our challenges and worthy of our dreams.

We must view tomorrow's promises through yesterday's performance. And yesterday's performance is not enough.

LET'S RESTORE AMERICA'S WORLD LEADERSHIP
(By Senator THOMAS H. KUCHEL, of California, representing the Senate Republican Leader, Senator EVERETT M. DIRKSEN, of Illinois)

A new attitude, new vigor, new direction, new confidence, are not required if this nation is to stem its headlong descent from a role of leadership held so long in the world.

In this 20th Century free peoples have looked to America in their struggle for human liberty. Dwight Eisenhower brought like-minded nations together for collective security. It remains the world's best hope for just and enduring peace. But now our government clearly lacks the ability to rally our allies.

In Western Europe, despite a remarkable economic rebirth, there is growing distrust. The British pound shrinks, the shadows of the British Empire fade, and Britain herself is shut out from the Common Market by France, her one-time ally.

The integrity of the American dollar, continues under foreign assault. We must put our house in order. What has happened to the British pound must not happen to the American dollar.

In the Middle East, the Soviet Union has moved into the Mediterranean, and threatens to open a new front in the cold war—playing off America's friendship to Israel against the vengeance of Arab extremists.

In Latin America, the high promise of the Alliance For Progress remains unfulfilled. Even the historic concept of freedom of the seas has been allowed to become a mockery of the Pacific Coast of Latin America.

History may yet record the Vietnam conflict as the most tragic and costly within memory. The Administration has failed to make clear our goals to friend and foe alike. It has not been candid with the American people in facing up to the complex and difficult road which lies ahead.

The nation searches for principles to guide us:

We must face the realities and accept them. We must not be wed to past mistakes.

We must not debase our diplomacy with pledges we cannot keep.

We must never throw away what our men have fought to win.

We must rekindle the spirit of mutual trust among free peoples—mindful that America must not go it alone.

The American people yearn for a change. Our party intends to give it to them.

BETTER WAYS TO A BRIGHTER FUTURE
(By Congressman GERALD R. FORD of Michigan, the House Republican Leader)

1968 is no ordinary year.

The State of the Union is serious business.

President Johnson came before Congress. The Nation was anxious and waiting for his words.

Never were Americans hoping harder for someone to call them to action.

People all across this nation are deeply disturbed, concerned about what's going on, right here at home. I'm moved by the simple eloquence of their letters—their unashamed love for America.

Doesn't the President listen to any of these people?

They've seen raging violence, destruction and death right on their own doorsteps—their homes and stores ablaze and looted—tanks and paratroopers—not on faraway battlefields but rolling through once quiet neighborhoods.

And the President could only tell us he detects "a questioning" and "a certain restlessness" among his countrymen.

We can speak far plainer than *that!* Riots, murder and robbery—is that just "restlessness"?

Deepening disbelief in our nation's policies, doubts about our most sacred institutions and traditions, concern over the credibility of our government's word—the worth of our government's dollar—*do you call that "questioning"?*

The President's only explanation was, "When a great ship cuts through the sea, the waters are *always* stirred and troubled."

Apparently the President has been standing on the stern—looking backward at the wake—wondering which of his officers to dump overboard next!

His ship is wallowing in a storm-tossed sea, drifting toward the rocks of domestic disaster, beaten by the waves of a worldwide fiscal crisis.

The Captain should return to the bridge.

We need a Captain who will seize the helm—call up full power—break out new charts—hold our course steadfast and bring us through the storm.

We need a Captain who inspires his crew to heroic endeavor.

We need a Captain with courage to clear the deck—jettison the deadweight—a Captain who learned his seamanship beyond the Potomac and the Pedernales.

It is no time to Abandon Ship.

It's time for all hands to man their action stations.

Let's not give up the ship!

America has weathered many a terrible storm, rescued many a weaker vessel—and we'll do it again. Let's start with the USS Pueblo. We want our Ship of State going full speed ahead.

We offer responsible and responsive leadership that looks to the worth and will of all our people, that turns from the tired theories and proven failures of the past to the realities of the present and presses forward on better ways to a brighter future.

MORE HOMES FOR AMERICANS

(By Senator CHARLES H. PERCY of Illinois)

Tonight most of us will go to bed in a decent home. For some Americans, though, a decent home of their own remains only a dream.

Our cities are beset with harsh living conditions, ranging from traffic congestion to air pollution. But the most critical urban crisis is housing.

The public housing record is not good. Urban renewal has demolished more houses than public housing has constructed. Too often, public housing has only served to crowd thousands of poor families together in high rise ghettos. These have become the vertical slums of our cities.

To help all Americans to own their own home, we support a National Home Ownership Opportunity Act. This Act would allow a new home owner to work on his own house, and have his labor contribute to his down payment.

The Act would combine the resources of government and private industry by drawing upon private expertise to assist low income families in building or rehabilitating homes.

It would also allow the government to fi-

nancially assist low income families who cannot pay commercial interest rates.

There is a great opportunity here for government and private industry to work together in the good of the country. As the Homestead Act opened the West, this could be the 20th Century Homestead Act, helping to remake the face of our cities.

Low income families deserve our help while striving to own their home. This nation requires a realistic housing program, not more false promises. We must begin to offer to the slum dweller the hope that he as an individual can succeed.

MORE JOBS FOR AMERICANS

(By Congressman ALBERT H. QUIE of Minnesota)

The cities are boiling with frustration. Frustration can be a man without a good job. We need an immediate program to provide hundreds of thousands of jobs in private enterprise. That's the only way we can provide jobs fast enough to cool the seething cities.

Yet the Johnson Administration has opposed every Republican effort to involve private enterprise in the poverty program. They've been long on promises—short on performance. Now, at long last, the President is beginning to talk about jobs for the poor in private enterprise. He'll be talking more about private industry doing the job his poverty war just has not done.

To the President who has been opposing our approach for four long years, and now says he will do it our way, we have this challenge.

We challenge you to support our Human Investment Act, that would encourage business and industry to train under-employed men and women. We challenge you to support an Industry Youth Corps, not just government youth corps. Support our call for voluntary boards of businessmen in every city across the country to mobilize the community to help the poor get off welfare rolls.

Do not pour more money into old programs that don't work. Do provide training for jobs that are waiting to be filled. Use poverty dollars wisely to involve the poor in helping themselves, not to feed bureaucracy or city hall patronage.

Many of the prisoners of poverty can learn to earn. These Americans need their hopes fulfilled. This country must launch a new crusade for human renewal.

Words and more words are not enough, Mr. President.

CRIME AND LAW ENFORCEMENT

(By Congressman RICHARD H. POFF of Virginia)

The first duty of government is to maintain law and order. The peace and tranquility guaranteed by the Constitution must be restored.

No nation in history has been able to survive the collapse of its moral structure and the anarchy and lawlessness that follow.

Look at the situation confronting us today.

Murder is epidemic. Rape is commonplace—Burglary happens so often it is no longer news. Pornography, filth and dope are peddled on nearly every street corner. Crime has grown six times as fast as the population.

Despite the urgent warnings of F.B.I. Director Hoover and law enforcement officers everywhere the Johnson Administration has failed to take effective action. The Attorney General has banned the use of modern investigative techniques. The soaring increase in crime has been called just "a little bit" of an increase.

The recent statements of President Johnson that reflect a new awareness, some hardening of purpose, are welcome.

State and local law enforcement officers must have help, but without Federal domina-

tion and control. Our Law Enforcement and Criminal Justice Act that passed the House last year provides such assistance.

We must escalate the War against Crime so that all citizens, regardless of color, will be safe in their home, at their places of business and on the streets.

The American people want the "enforcement" put back into law enforcement.

LABOR-MANAGEMENT RELATIONS

(By Senator ROBERT P. GRIFFIN of Michigan)

If a single thread runs through Republican thinking, it is an abiding faith in the *individual*.

Over the years, Republicans have stood up—not only for the public interest and for the right of workers to join unions—but also to make sure that the *individual* union member is not relegated to second-class citizenship.

Today, American workers are deeply concerned as they see the collective bargaining process breaking down . . . as they see strike losses increasing by 96% under the Johnson Administration.

They're not satisfied with an NLRB that distorts the law. And they believe their union dues ought to be used strictly for union business—not for politics.

Back in 1966, President Johnson pledged that he would propose and press the Democratic-controlled Congress for certain reforms, pointing particularly to the need for better legal machinery to help in settling strikes.

Needless to say, 1966 has passed. 1967 has come and gone. And America listened carefully to the State of the Union message last week. But, although paralyzing strike after strike has emphasized the problem, President Johnson still has not delivered on that 1966 pledge.

In this troubled area, our Nation desperately needs leadership—*new* leadership with vision and courage to stand up for the public interest and the rights of the *individual* worker.

After winning that Senate race in Michigan not so long ago, I'm more convinced than ever that millions of American workers—who refuse to take political marching-orders from anyone—are eager to support that *new* leadership next November.

THE ECONOMY IN CRISIS

(By Congressman GEORGE BUSH of Texas)

We hear a great deal today about a tax increase . . . a tax increase to halt inflation, a tax increase to check the outflow of gold, a tax increase to restore confidence in the dollar. Republicans respond that before we consider a tax increase, we must cut spending.

The nation faces this year—as it did last—a tremendous deficit in the federal budget, but in the President's message, there was no sense of sacrifice of the part of the government, no assignment of priorities, no hint of the need to put first things first.

This reckless policy has imposed the cruel tax of rising prices on the people, pushed interest rates to their highest levels in 100 years, sharply reduced the rate of real economic growth and saddled every man and woman and child in this country with the largest tax burden in our history.

And what does the President say? He says we must still pay more taxes and he proposes drastic reductions on the rights of Americans to invest and travel abroad.

If the President wants to control inflation, he's got to cut back on federal spending. The best way to stop the gold drain is to live within our means in this country.

We Republicans pledge ourselves to find solutions to America's most urgent problems in health, housing, education, jobs and security but we shall never sacrifice the American people to a cynical policy of wasteful spending and higher taxes.

THE BIGGEST THREAT TO EVERY FAMILY
(By Congresswoman CATHERINE MAY of the State of Washington)

The President said a lot about protecting the consumer in his State of the Union Message the other night. But he did fail to tell us about the protection we need most of all—effective protection from rising prices.

Now if there is anyone who knows just how fast prices are rising, it is those of us who work in the kitchen and shop in the grocery store, and when the people running our government tell us that a little rise in prices is a good thing, we say: Maybe so, but you're carrying a good thing too!

With skyrocketing prices and increasing taxes, it is little wonder American workers want more take-home pay to keep pace with their cost-of-living. And now we even see the threat of wage controls.

This must stop. The American family has to balance its budget and the President can do more to get things back in balance in his budget.

You don't have to be an economist or a big government planner to know that rising prices, the biggest threat to every family, stem from unsound government policies.

I think I speak for American women—and men too—when I call upon the President to stop wasting our money and make it worth something again.

THE FARMER'S HIGH HURDLES
(By Congressman BOB MATHIAS of California)

I have faced some high hurdles in my time. But, you know, they're nothing compared to the hurdles facing the American farmer today. I know this because I represent a farm area and I hear from them every day. The Johnson Administration, by deliberate policies such as the dumping of grain reserves, has pushed farm income down. This has left the farmer with an ever-declining share of America's food dollar.

Government trade policies have destroyed historic markets and encouraged imports.

In spite of misdirected and self-defeating Federal programs, the energy and ingenuity of the American farmer have outpaced the tremendous growth of our population. They've fed millions of hungry people around the world. Our farmers must have the opportunity to run their own farms with minimum government interference and to join together to negotiate for better farm prices. The most productive people in our economy, the American farmers, took a pay cut of a billion and a half dollars in 1967, and the situation is getting worse. Farm prices stood at 74% of parity last year, the lowest level since 1933.

In the face of these shocking failures, the Administration and the Secretary of Agriculture are determined to make their controls a permanent part of the farm scene. Their programs are geared to the tired theories of the 30's, not to the challenge of the 70's.

Every time the Johnson Administration comes up with a new farm program, the farmers pay more and get less. We think it's time for a change . . . and so does the American farmer.

RESTORING FEDERALISM AND FREEDOM
(By Congressman MELVIN R. LAIRD of Wisconsin)

Republicans believe there are better ways for Americans to do things than the way of the great planned society. President Johnson's solution is to pile program upon program, regulated, administered, and directed from Washington.

Republicans would establish revenue sharing with our states and localities to return a percentage of Federal income taxes with no strings attached. We would consolidate the hundreds of existing programs into block grants that would be both more flexible and more effective in getting the job done. And we would provide tax credits both for state

and local taxes paid and for such special purposes as education and job training.

Our problems can only be solved if all levels of our society—governmental and private—pull together in a true partnership. This means that we have to strengthen states and localities, not weaken them. The job is not being done today because local and state officials don't have the money. They have the ability . . . and the knowledge . . . but they lack the resources because the Federal tax collector has gobbled them up.

Republicans have faith in our Governors and State Legislators. We believe in our Mayors and school board members. We think you can trust them to do what is right for the people and the community they serve. When they don't, we have faith that the people will replace them with office holders who will. That is what our representative government is all about.

Revenue sharing, together with block grants and tax credits, would restore true Federalism in America. It would give control back to the people, provide the tools for programs that work, arrest the drift of power to Washington, and preserve the fundamental freedoms of the American people.

CONFUSION, CHAOS AND CREDIBILITY
(By Senator HOWARD H. BAKER, JR. of Tennessee)

During the past few minutes, we have heard of domestic chaos in America. But you see, in this nuclear age our concern can be no less for the bewildering array of confusion and chaos abroad. Whether we speak of Vietnam or Cuba, West Berlin or Latin America, the Middle East or Africa, there is a common theme: America is forfeiting its leadership. The credibility of our intentions, our will, our economic solvency is being questioned. Not since the Civil War has the United States been so divided. Never has American prestige abroad fallen so low.

We find NATO in shambles and summarily evicted from France. We find the seeds of world war sown in the strife-torn Middle East; a restless giant in Latin America is just beginning to arouse, as are the emerging Nations of Africa. Asia is measuring the will and wisdom of the American posture.

As the free world loses faith in our leadership, it is also losing hope that we have the will to order our own house. Thus, the international and the domestic problems merge, as Nations rush to convert dollars to gold. And what must we do?

We must have bold unifying leadership. We must establish credibility for the humane motives of America and its will to resist aggression. We must restore confidence in the American economy, before it is too late. We must help those who are willing to help themselves, not with just handouts which so often produce bitterness and resentment but with dignity and grace and respect. We must lay aside the tired old techniques of the past and stand ready to innovate, to use our vast nuclear technology to produce fresh water from sea water, to produce abundant food supplies and energy, employed to promote cooperation instead of conflict. We must be as concerned with preventing another Vietnam as we are with bringing this one to an honorable conclusion.

There must be a new direction, new leadership, credible and sound. And to secure these ends we pledge ourselves, singly and in bipartisan effort, now and in the future.

DANGER IN THE MIDDLE EAST
(By Senator HUGH SCOTT of Pennsylvania)

One of the greatest dangers to world peace is ticking away in the Middle East. The President's State of the Union Message was vague about U.S. efforts in that vital area of the world—because the Johnson Administration's policies are vague.

The Soviet Union relishes that kind of situation.

Last year, the Soviets goaded the Arab

states into a military showdown with Israel. While the United States stood aloof, the Israelis fought a brilliant war and beat both the Arab armies and their expensive Soviet weapons.

Since last June the Soviet Union has been pouring modern tools of war into the Middle East, and the area is again buzzing with powerful new Soviet jet planes.

As the Soviets rush in to become the major force in the Middle East, with a policy of turbulence, what is United States policy? No one seems to know.

The U.S. is doing nothing to convince the Soviets of the grievous world danger in this arms race. Continuing sales of Soviet arms to Arab countries force Israel to find deterrent weapons.

Where is the initiative of the Johnson Administration to get Arabs and Israelis to the same peace table and preferably through direct talks?

The greatest insurance against Soviet domination of the Middle East is a strong Israel, living at peace with its Arab neighbors.

Peace in the Middle East and survival of gallant Israel depends upon a firm and clear American policy.

A DEFENSE POSTURE SECOND TO NONE

(By Senator PETER H. DOMINICK of Colorado)

The peace of the Free World depends largely on American strength—economic, moral and military strength.

The right to wake up unafraid is every American's heritage, secure in the knowledge that this country is too strong to attack. There can be no partisan politics in our efforts to maintain this goal. It is too important to mankind. But let's look at the record.

We are told of bomb shortages, automatic rifle malfunctions and lack of proper jungle gear. We have no new fighter aircraft and the TFX is still a question mark. 16" naval fire power from battleships have been literally kept in moth balls, and repeated Congressional efforts to obtain an anti-missile system have been summarily thrust aside until this year.

In the meanwhile, the Red Chinese have been steadily expanding their nuclear capability. The Soviets have surpassed us in deliverable nuclear megatonnage and they have developed a fractional orbiting nuclear bomb and six new fighter-bomber aircraft systems. They have the largest submarine fleet in the world and they are well on their way toward completion of an anti-missile system.

We are menaced now—not tomorrow or next year or the next decade, but now. The overwhelming strategic superiority developed under President Eisenhower has rapidly dissipated. This Administration has developed a strange new doctrine—that Soviet strategic equality is better than American supremacy.

That dangerous doctrine must be reversed while there is still time. Peace, with freedom, is inseparable from American strength. Let's keep it.

WHAT PEACE DEMANDS TODAY

(By Senator JOHN G. TOWER of Texas)

I'm here tonight to tell you where we believe the great majority of Americans stand on Vietnam.

First and foremost we stand for the all-out support of our half-million fighting men and women—material support and moral support.

We stand for military success in Vietnam that will enable the Vietnamese to rebuild a free nation.

We stand for an era of peace and stability that will embrace all of Southeast Asia.

We stand for the effective utilization of America's vast air and sea superiority.

We stand for quarantine of the enemy's supply lines so that he can no longer fight.

We stand for firm resistance to naked Communist aggression in Vietnam as we did in Greece, Berlin, Korea and Cuba. We also

stand for the complete protection of American ships in international waters.

We note that in the last few months the Johnson Administration has been vigorously prosecuting the war in Vietnam. But, we also note that for far too long it followed a self-defeating policy of "gradualism."

That "gradualism" policy caused us to pull our punches; it prolonged the fighting; it cost American lives unnecessarily. This war could be over today if the Johnson Administration had acted with determination instead of with vacillation.

It is no wonder that the communist enemy is confused about American intentions and doubts American determination. The Administration's ping-pong pronouncements have left even Americans confused.

Throughout this century Republican Administrations have understood how to maintain world peace. Today, we understand what peace demands.

The nation suffers from a "peace gap" which we are determined to close.

OUR SONS IN VIETNAM

(By Congresswoman CHARLOTTE T. REID of Illinois)

Yes, I am a mother. Two of my four children are sons—one of whom served four years in the Marine Corps and the other left for Vietnam just last week. I believe that not only all parents, but all thinking Americans are as deeply distressed as I am by complacency, disunity, and protest here at home.

There are many problems which threaten our American way of life—crime, disrespect for law and order—but particularly the war. Our men in Vietnam are fighting to insure the freedom and happiness of all of us—of our children and, indeed, our grandchildren, too.

So—we must impose on ourselves the kind of discipline we impose on our soldier sons. While we have American troops in Vietnam, we must be certain that they have our wholehearted support. We must be certain that the Johnson Administration knows what it is trying to do in Vietnam and that it knows how to do it. Above all, there must be no false promises.

More than 16,000 families have learned the final, terrible price of freedom. Yet, the casualty lists continue to rise. We must be certain that the lives which have been lost will not have been sacrificed in vain.

WE WILL GO FORWARD

(By Congressman GERALD R. FORD of Michigan, the House Republican Leader)

What you've seen is a picture of our party, how we look, what we think, how we feel and why we believe there must be better ways to run our country.

Only by facing facts can we, as one nation and one people, move forward to forge in our time a more perfect Union.

It seems strange not to have Senator Dirksen by my side. We've missed him tonight and want him back soon.

I speak for all of us, I'm sure, in expressing special thanks to you, Senator Murphy, for the tremendous job you've done in presiding over this hour, and to my friend and colleague from New York, Congressman Goodell, who relinquished a place on the program to make room for others.

We have told the truth as we see it about the State of the Union.

We're proud of our party and its leaders from Abraham Lincoln to General Eisenhower. We're proud of legislators like those you've just seen—of our great governors and the young men and women coming up and taking charge.

Two-party competition made America great and keeps it free. When stakes are high and problems grave, we need more airing of the issues—not less.

Debate must be candid, it must be high-level, and it must be respectful of honest differences.

All Americans should, and we do, respect the high office of the Presidency. We ask this question most seriously and respectfully:

Will the President now agree to meet our nominee in man-to-man debates on the overpowering issues of 1968?

Will he do his part in dramatizing to the whole world, face to face before the American people, that free discussion in troubled times does not divide us but unites us.

Lincoln did.

John F. Kennedy did.

Lyndon Baines Johnson should.

We, the most powerful nation and people in history, toss and turn with the tides of discontent, seethe with the injustices of hope denied, wrestle with the burdens of a war unwon.

And now a startling flame bursts up from a 15-year-old war still smouldering on another Asian peninsula, Korea. Negotiations at Panmunjom have never ended, perhaps are going on this very hour.

All Americans will pray tonight for peace. I know of no loyal American, whether we be Democrats or Republicans or independents, who isn't hoping the Pueblo incident can be resolved peacefully, who doesn't want peace in Korea and peace in Vietnam as quickly as it can be honorably found.

No American worthy of the name is opposed to peace or wants war. We stand tonight behind our President—and we have throughout each enemy testing of our national will—in every earnest effort he makes for enduring peace.

Republicans stand for peace at home and peace in the world.

Peace anywhere and everywhere finally depends on strength, firmness and candor from our leaders, calm courage and confidence from our people.

We defend peace most surely when we demand candor, firmness and strength in facing up to both foreign challenges and domestic difficulties. To be strong abroad we must be strong at home.

In the year just passed we have watched our cities erupt and our savings erode.

But Americans are neither quitters nor losers.

We can take the hard truth, make the hard choices, and put our country's future first.

Physical power and spiritual strength we have. Great leadership we shall find.

And we, each one of us, must look deep into his conscience, searching to establish what is truly American, hoping to find a new America that unites the dreams and serves the needs of all of us.

This generation of Americans, and the next and the next, will once again establish justice, ensure domestic tranquility, provide for the common defense, promote the general welfare and secure the blessings of liberty.

We will not be distracted by the shrill discord of the spoilers.

We will not be diverted by the doom's day fantasies of the fearful.

Let us instead hear this: "Be strong and of a good courage, be not afraid, neither be thou dismayed; for the Lord thy God is with thee."

We will go forward with high hearts and ready hands for the hard work ahead.

THE POSITIVE REPUBLICAN PROGRAMS

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. GERALD R. FORD] may extend his remarks at this

point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, the role assigned to the gentleman from New York [Mr. GOODELL] in the preparation of our Republican appraisal of the state of the Union was to summarize the positive Republican programs advanced by the other participants or previously proposed in the 90th Congress. In seeking to comply with the limitations of live television, it became apparent that there were far too many of these proposals—more than 47—even to enumerate briefly without subtracting from the time allotted to others. The gentleman from New York unselfishly ruled himself out of the presentation over the CBS network on January 23 and played an indispensable but invisible role. The joint Republican leadership of the Congress, however, announced on January 22 that additional material would be made available to the public at a later date. I am honored to place in the RECORD at this point the summary prepared by the distinguished chairman of our House Republican Planning and Research Committee [Mr. GOODELL].

CONSTRUCTIVE REPUBLICAN PROGRAMS

(By Congressman CHARLES E. GOODELL of New York)

In this rapidly changing twentieth century, where today's job cannot be done with yesterday's tools, our nation must seek to utilize every human resource to solve our nation's problems. Transformed from an agrarian to an industrial society in less than 100 years, with seven of every ten Americans now living in urban areas, our nation must solve the new and demanding problems of an urban society while still coping with problems remaining from previous generations. To accomplish this task, Republicans in the United States Congress recommend 47 overall proposals, including more than 50 specific, positive programs for a better America:

1. Immediate passage of a Congressional reform bill to improve Congressional legislative machinery.

2. Establishment of a permanent Joint Committee on the Reorganization of Congress.

3. Adoption of a Clean Elections Law to re-establish confidence in the integrity of our election process.

4. Adoption of improvements in our electoral college system.

5. Establishment of a Hoover-style commission to recommend needed reforms in the executive branch of our government.

6. Adoption of an Intergovernmental Cooperation Act to promote more effective relationships between federal, state and local governments.

7. Improved usage of our nation's fiscal resources through a federal revenue sharing program with state and local governments.

8. Bloc grants to state and local governments to make our federal grant-in-aid programs more effective.

9. Allowance of tax credits to state and local governments for federal taxes paid that state and local governments might have better revenue sources to solve their own problems.

10. Creation of an independent investigating committee in the United States Congress under the control of members of the opposite party from the party of the President.

11. Strengthening of the power of Congress

to oversee the Executive Branch and guarantee that legislative intent is carried out through such programs as an independent oversight agency of Congress and expanded, re-oriented Committee staffs.

12. Passage of a permanent legislative code of ethics.

13. Enactment of a National Homeownership Opportunity Act to assist low-income families in owning their own homes.

14. A Human Investment Act to encourage business and industry in training unemployed men and women.

15. Creation of an Office of Industry Participation in the executive branch to coordinate private efforts in solving pressing urban problems.

16. An Industry Youth Corps to assist our nation's young people in finding employment in private, productive jobs, not dead-end public jobs.

17. Establishment of voluntary boards of businessmen in cities throughout this nation to mobilize the total resources of communities in helping the poor overcome their special problems in obtaining employment and getting off the welfare rolls.

18. Utilization of the "community action" concept to assure participation of the poor in solving their own problems, while avoiding use of poverty funds for political patronage.

19. Phasing over of the Job Corps into community residential training facilities that are, wherever possible, combined with state vocational education programs to provide efficient and effective help for unskilled young men and women in qualifying for productive, private employment.

20. Establishment of military career centers to assist otherwise unqualified young men in pursuing military careers on a volunteer basis.

21. Providing states with a key in Head Start programs while retaining parental and non-public agency participation and supportive health, nutrition and family services.

22. Establishment of an Early Years program, to include both elementary school children who have participated in Head Start and those who have not, providing needed additional educational, social and nutritional services.

23. Coordination and unified administration of inter-related programs such as Head Start with the Elementary and Secondary Education Act, Job Corps with Vocational Education and Poverty training with the Manpower Training programs, thereby avoiding waste and administrative overlap.

24. A 100% income tax deduction for medical expenses and drug costs incurred by our senior citizens.

25. Appointment of a National Commission on Urban Living to study in-depth the problems of our urban areas.

26. Creation of a blue-ribbon commission to study the long-range needs of our American military posture.

27. Continued development of the Advanced Manned Strategic Bomber, the long-range interceptor aircraft, our anti-submarine warfare capabilities, our anti-missile system, and every feasible use of nuclear power for our Navy.

28. Expansion of veterans' benefits to provide cost-of-living increases for veterans receiving service-connected disability benefits and for widows of veterans receiving death compensation benefits.

29. Expansion of the G.I. benefits program to widows of servicemen who died while serving our country and to wives of servicemen who incurred total disability while serving.

30. An improved earnings exemption for veterans so that their desire to earn additional income will not be hampered by prospects of a harsh reduction in their veterans' benefits.

31. Creation of an Office of Inspector Gen-

eral in the National Aeronautics and Space Administration to insure the safety and efficiency of our space program.

32. Immediate enactment of legislation to protect civil rights workers from violence while traveling interstate and prompt passage of legislation to make illegal the use of interstate communication and transportation facilities to provoke violence.

33. Legislation to take the Post Office out of politics.

34. Increasing flexible usage of Title I funds by the states in the Elementary and Secondary Education Act.

35. Promoting increased efficiency and flexibility in the administration of Title III of the Elementary and Secondary Education Act through involving state participation more effectively.

36. Establishment of fiscal priorities that will enable our nation to fully fund programs to meet urgent national and human needs.

37. Reduction of the fiscal deficit and reversal of inflationary monetary policies to stabilize the cost of living.

38. Full recognition that our balance of payments problem cannot be met with short-run controls, but requires realistic programs to expand controls and curtail unnecessary expenditures.

39. Immediate enactment of legislation to provide proper federal assistance to state and local governments in strengthening their law enforcement capabilities.

40. Pursuit of a firm and realistic course in coping with a serious crime problem, particularly the use, with proper judicial safeguards, of electronic surveillance in combatting organized crime.

41. Establishment of an independent Federal Maritime Administration to plan for redevelopment of our merchant marine.

42. Assignment of a higher priority by this administration to rebuilding the maritime industry.

43. Legislation allowing wheat growers to receive advance crop payments.

44. Changing the present feed grains program to emphasize stronger market prices.

45. Prompt consideration of legislation designed to improve the bargaining position of farmers.

46. Extension of Public Law 480, the Eisenhower Food for Peace program, with an additional emphasis on expanding markets for U.S. farm production.

47. Development of an incentive program to encourage construction of air and water pollution control facilities by private business and industry.

Opportunity and security remain the hallmarks of the American Dream. These 47 recommendations are a part of our Republican program to insure the future of our nation through providing equal opportunity and security for all Americans. Crucial to our nation's progress and vital to the progress of all mankind is the way we as Americans renew our commitment to this goal.

DATA NEEDS FOR REGIONAL AND LOCAL DECISIONMAKING

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, in November 1967, the Washington chapters of the American Statistical Association held a conference on data needs for local and regional decisionmaking. The opening address by Mr. Paul I. Ahmed, chair-

man of the conference, emphasized the need for new and improved statistical data to provide the means to identify and help solve problems of our cities. We need to discover not only whether the goals of our cities conform to the desires of their inhabitants, but also the specific problems that need to be solved to make our cities more enjoyable places in which to live.

Mr. Ahmed pointed up the need for additional data in the areas of mobility patterns, employment and income, institutional demography and the impacts of governmental programs. We cannot work toward solving the problems of our urban areas until we have identified these problems, and it is here the Government and its statisticians can provide most valuable assistance. Because of the urgency of the problems facing our cities and the positive approach Mr. Ahmed takes to solving them, I include his speech in the RECORD at this point:

DATA NEEDS FOR LOCAL AND REGIONAL DECISIONMAKING

(Address by Mr. Paul I. Ahmed, National Center for Health Statistics, as chairman of the conference sponsored by the Washington chapters of the American Statistical Association, and the American Marketing Association, held on November 15, 1967, at the Interdepartmental Auditorium, Washington, D.C.)¹

Deputy Under Secretary Ross, Commissioner Clague, Ladies and Gentlemen: It is only fitting that I call this conference an important gathering as the topic is timely and it has such a distinguished list of participants. It is my privilege to be its chairman. This conference meets in the midst of short and long term urban crises—riots in the cities, high unemployment rates, sub-standard housing, antiquated medical facilities, inadequate educational institutions, polluted air and streams, death and injury with more high powered cars on the highways. What are the goals of the urban society? How can the statistician, economist, and sociologist provide the tools to assist the program planner in tackling the urban problems in both the short and long run? What kinds of data are currently available? What are the additional needs to define and measure the goals of urban society?

It is the statistician's task to provide data on which decisions could be based to alleviate some of the problems of our cities; data that could tell us whether an attempt should be made to maintain the decentralization process of our cities or go back to their concentrated core; data which could provide guidelines as to whether new cities should be built, and if so, how far apart such cities should be built; data that could provide the decision to use 10 or 20 billion dollars if such money was available. How can we accomplish this goal? Four dimensions must be examined. First, we should re-examine the framework of data, especially economic data, because of the continuously changing framework of economic theory. Secondly, we may have to collect the same data we now collect in a different way. Thirdly, additional data needs to be collected; and fourth, new ways of treating the data may have to be found. For the purpose of brevity, the latter three are classified into one category of "Need for additional data."

I. GOALS OF URBAN SOCIETY

No test of social success has such nearly unanimous acceptance as the annual in-

¹ The views presented here are those of the author and not of the National Center for Health Statistics.

crease in Gross National Product. Given the goal it is no wonder that the economic policies of the federal government over the past two generations have been based on continental or aggregative data to the neglect or exclusion of specific circumstances. Thus, the United States has the best unemployment data in the world, but there is no city that knows its unemployment rates by sections. We are the richest nation with some of the worst slums; the most educated with some of the most marginal school children; the most oriented towards "life saving," with the greatest number of deaths on the highways; the most mobile, with some of the most rigid caste confinements. Thus, one needs to examine not only the micro or specific situation, but also whether the goals of the society in terms of increased industrial production is a proper goal for the America of the seventies. Whether the state policies vital to the accommodation of these goals—regulation of aggregate demand, maintenance of the large public and technical sectors on which this regulation depends, underwriting of advanced technology, such as the provision of an increasing volume of trained and educated manpower—should not include policies—such as the care of the ill, aged, provision of parks and recreation, removal of waste, provision of agreeable public structures. Thus, the society has to go beyond the needs of the industrial system, into the social needs of the cities and counties. The national economic solution to "national problems" needs to include economic as well as social solutions both at the national and the local level.

Other areas we need to measure are intangibles such as discomfort, happiness, social distinction, prestige, satisfaction with life, etc. The society affords a sense of high social urgency to increased output. In order to reach this increased production goal, however, a management of demand takes place. It works not on the body but on the mind. It first wins acquiesce or belief; action is in response to this mental conditioning and thus devoid of any sense of compulsion. Thus it is not that we are required to have a newly configured automobile; it is because we believe that we must have them. If society's goals are to be examined for reallocation of resources, the legitimacy of beliefs and how they are arrived at will have to be examined. For example, we ask people not to smoke, not to eat certain foods, to keep the city clean and to use safety belts, etc. Motivation will most likely be guided by the existing beliefs people have about the severity of a given disease or injury, their own reaction to it, and the benefits they might derive from taking some kind of action. These motivations must be measured in order to have a baseline to know what beliefs we need to change for a particular desired result.

II. NEED FOR ADDITIONAL DATA

Mobility patterns

Many of the city problems are caused by events far from its borders. Technological change, a change in the economic climate and social changes in other parts of the country lead to vast shifts of population posing human problems of poverty, unemployment, etc. Additional facts need to be known about movement from city to city and within metropolitan areas in terms of outflow to the suburbs and the reverse flows. The people who are leaving need to know which area can offer more opportunity. The receiving cities need to know about the composition of the probable shifts of population. A great deal more could be usefully known about the middle age couples whose children have established a household of their own. Certainly knowledge about the increasing number of younger persons who move out is of critical importance to the urban planners. In the public health field,

mobility itself is the prime public health variable. We have to know not simply births and deaths within areas but movement within areas.

Employment and income

There is a well-known assumption of current policy that there is a mismatch between the pool of available skills and available jobs in the inner city. It is conceivable, however, that some of the problems of unemployment in a metropolitan area are caused by the combination of physical separation in distance and separation of information channels, concomitant with the distance between the source of employment and the sources of labor. It seems that the location factor as well as the skill factors are involved in chronic structural unemployment. An analysis of a sizable sample from Social Security records by location of employment could shed light on this important problem.

Requirements for disaggregation of employment data beyond the labor market area to the point where something is learned about employment conditions in the ghettos are urgent. Data about the distribution of job openings that will occur through replacement needs is often called for. Longitudinal studies of covered employment by postal zone or by census tracts will provide insights about the changing character of the urban economy.

Institutional demography

Corresponding to the data about individuals and families, there needs to be developed a range of information that may be called "institutional demography." Cities are organized around institutions, some public, some private. The number, variety and vigor of these institutions shape the dynamic quality of the city. Thus we need to know some measure of levels of taxation and public expenditures between the different jurisdictions, over time and within the jurisdiction and of intergovernmental transfer payments. A measure of effectiveness of governments that link or overlap to provide the public service of most metropolitan areas is needed, as it is generally agreed that central cities are supporting a large number of services from a relatively shrinking tax base while they receive less intergovernmental aid than the more wealthy communities in their metropolitan areas. More data is needed on voluntary organizations, such as political organizations, trade unions, fraternal associations. The membership information if classified by various demographic variables could be very useful, as we know power belongs to those who are organized. It could portray the distinct quality of American cities.

Data for number, size, location, growth or decline of businesses classified by type of ownership, i.e., locally owned vs. managed branches, need to be presented on a more comprehensive basis. Also, data needs to be developed for analysing differences in school enrollment and educational institutions between various areas. The organized pattern of behavior of each city needs to be known. Air pollution levels, noise levels, organized crime levels, etc. in each city is different and should be recorded for comparative purposes. Also, more data about urban ecology in terms of density such as automobiles per square mile, streets, housing, parks, industry, race and social class on per square mile could be useful in showing inner city differences.

Finally and most important is the need of area health studies which may show differences that relate to economic and social issues such as air pollution, slum housing, and industrial diseases. One important source of localized information would be the medical rejection rate for selective service examinations which could be charted by census tracts.

Impact of governmental program

A three pronged drive to evaluate present programs is necessary. First the development of the community profile is necessary. Secondly, as a benchmark and for evaluation, the descriptive data on existing programs should be compiled, and thirdly, data on actual program operation is needed to measure progress.

For federal programs affecting the States, such as the Economic Development Act, systematic data or resources of individual counties, labor markets and cities is needed in order to make a decision. Secondly, measurement of the impact of such programs as space and defence on local communities is of major importance for the communities to prepare for adjusting to the impact and is needed. Thirdly, per capita income by individual census tract is needed as the financial ability criterion is built into some legislation such as elementary and secondary education aid. Fourthly, analyses of such data is necessary in order to make useful inferences and beneficial programs.

On a local level program effectiveness studies such as conducted in the Pentagon could be of enormous importance to the city planners. Also many essential governmental programs could be made to yield current data on natural resources and their use; for instance, tax assessor records, building inspections, building permits, health inspections and numerous other ongoing governmental operations could easily be made to yield current data on land use in many cities. Another aspect that needs attention is the evaluation of needs in measurement of effectiveness of various services such as contraceptive services, for family planning now being provided by the cities. For example, we need to know the impact of contraceptive services on birth rates.

Conclusion

Let me end these remarks by pointing out that statisticians hold the main burden of future planning. In order to effectively help plan a 5, 10, and 20 year plan, so common to industry, statisticians will have to be leaders of social thought rather than the followers. They will have to augment a social series in anticipation of the need and will generally have to get involved in motivations and "whys" of a situation. They will have to interpret existing data and identify economic and social problems. This will require that interrelationships and correlation analyses be not left to individual scholars, but be done by those who planned a Survey or study. The future is full of promise for statisticians. They have the opportunity to explode America's myths and build its hopes. I welcome the opportunity of being one among you.

HELLER'S "NEW DIMENSIONS OF POLITICAL ECONOMY"

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, Prof. Walter Heller's recent book, "New Dimensions in Political Economy," Cambridge, Harvard University Press, 1966, is the subject of an incisive review by Prof. Arthur Burns in the June 1967 issue of the National Banking Review. Each of these scholars was a former Chairman of the Council of Economic Advisers to the President and has much to offer those interested in the current dialog

on governmental economic policy and what is called the "New Economics."

Arthur Burns' review does much to focus perspective on the claims of the "New Economists" advocated by Walter Heller. For interested students of this subject I am placing Professor Burns' article in the RECORD at this point:

HELLER'S "NEW DIMENSIONS OF POLITICAL ECONOMY"

(By Arthur F. Burns)

(This is a review article of "New Dimensions of Political Economy," by Walter W. Heller, Cambridge: Harvard University Press, 1966. Pp. viii and 203. \$3.50.)

The Godkin Lectures that Professor Walter Heller gave at Harvard University in March 1966 are expanded in his lively book on "New Dimensions of Political Economy." Its central theme is the use of economics in the formation of national policies during the 1960's—a period and subject of which Professor Heller has exceptional firsthand knowledge. The first chapter deals with the role of economists, particularly the Council of Economic Advisers, in shaping economic policies and in advancing the President's programs. The second chapter discusses the tools and achievements of the "new economics" since 1961 and "the promise of modern economic policy" for the future. The third and final chapter is devoted to a close examination of the opportunities that growing Federal revenues provide for strengthening the fiscal foundations of hard-pressed state and local governments. Clearly, Professor Heller deals with issues of large significance for the modern world.

His book has other notable qualities. It is humane in spirit and is concerned with the business of life, not merely economic improvement. It presents a lucid and stirring account of the "new economics" in action. It argues eloquently for a strongly activist economic policy, particularly in fiscal matters. It is informed by a thorough understanding of the political process. It seeks to avoid ideological conflict or commitment. And it yields interesting glimpses of the two presidents whom Professor Heller served so ably as Chairman of the Council of Economic Advisers. For all these reasons the book deserves to be read widely.

Not all of the book, however, deserves to be remembered, and the main reason is the author's neglect of history. Governmental concern with economic growth is hardly an offspring of the "new economics." In the nineteenth century, economic growth was a paramount objective of our nation's policy—as the debates and legislation on tariffs, internal improvements, banking and currency, land settlement, conservation, and the state of competition testify. With industrialization and urbanization proceeding rapidly, the business cycle naturally became a subject of large public concern toward the end of the century. Much attention was therefore directed in succeeding decades, first to the prevention of financial crises, later to the moderation of fluctuations in the general price level, still later to the prevention of mass unemployment. After World War II, as the nation's resolve to deal with unemployment became stronger and as evidence that the business cycle was moderating accumulated, interest shifted again to economic growth and economic policy became increasingly focused on the simultaneous achievement, as far as feasible, of full employment, a high rate of growth in productivity, and general price stability. The Economic Report of the President in January 1954 stated the modern view accurately: "The new concept that is emerging in the practical art of government . . . is to subject every act of proposed legislation or administrative decision, as far as that is humanly possible, to review from the standpoint of the contribution it is likely to

make, whether in the immediate or a more distant future, to the attainment of an expanding economy with maximum employment and without price inflation" (Ec. Rep., p. 112).

Professor Heller brushes aside what happened before the 1960's. He conveys the impression that, at least during the 1950's, the "old mythology and wrongheaded economics" of the budget dominated economic policy (p. 36). He at no time mentions the huge tax cut, or the provisions for accelerated depreciation, or the highway legislation, or the reform of the social security program, or the concern with education and training programs during the Eisenhower years. He notes, to be sure, the restrictive financial policy of 1958-1960, but does not refer to the urgent circumstances from which it arose. "At the 1966 Symposium on the Employment Act," he tells us, "there was much talk of the gradual evolution of economic policy. . . . But evolution became revolution the moment we had Presidents—and now we have had two—with the Keynesian perception to welcome their responsibilities under the act and to use its mandate and the weapons of political economy to generate . . . prosperity" (p. 12). This vision of a revolution is indeed suggested by the very first sentence of the book: "Economics has come of age in the 1960's." Again, Professor Heller speaks of Presidents Kennedy and Johnson as "the first modern economists in the American Presidency" (p. 36)—a claim that appears to be largely based on their advocacy of a massive tax cut at a time when the economy was advancing and the budget was out of balance. This was undoubtedly a new, significant, and at the time a salutary departure in economic policy. But if the first modern economist in the presidency is to be identified at all, may not this title belong to President Truman who fought so valiantly for the passage of the Employment Act or perhaps to President Hoover who, despite his tragic inadequacy in a time of crisis, was the first incumbent of the White House to deem it essential to use governmental power to moderate the ill winds of the business cycle?

Between 1961 and 1966, production and employment in our country rose substantially, the advance of prosperity became widely diffused, full employment was re-established and new doors of economic opportunity were opened to underprivileged citizens. Professor Heller stresses these achievements and he is right in claiming that the Federal government played a vital part in bringing about these gains. However, he glosses over the disappointments of the '60's—the fact that extensive unemployment lasted much too long; the fact that disequilibrium in the balance of payments escaped correction; the fact that governmental finances continued to show a deficit even when full employment was re-established; and the fact that governmental policy released forces which eventually resulted in a new round of inflation.

Professor Heller properly assigns a high role to fiscal policy, particularly the tax cut of 1964, in the prosperity of recent years. But his view that the expansion was "fiscally spurred" (p. 68) is an oversimplification which fails, in particular, to recognize the strongly expansionist thrust of monetary policy from 1961 to 1965. He claims that the "chief reliance" (p. 95) of fiscal policy during 1961-1965 was tax reduction, when in fact expenditure increases came to a much larger total than tax reduction. He conveys the impression that President Kennedy's proposal to cut income tax rates worked out precisely as planned, but fails to mention that the tax proposal was accompanied by a plan to raise Federal expenditures by nearly \$5 billion and that the Congress accepted the former but rejected the latter. And he is surely mistaken in suggesting that Vietnam is responsible for the recent inflation. Many

months before Vietnam was of any financial consequence, evidence of economic strain began to appear—particularly, although by no means exclusively, in the markets for raw materials and skilled labor. Signs of incipient pressure on the nation's available resources, which were already plain during 1964, were ignored or overlooked by the policymakers. In fact, during 1965, with Vietnam beginning to hurt and the economy approaching full employment, the Federal government unleashed practically every weapon of economic stimulation—greater monetary ease, lower income tax rates for individuals, lower income tax rates for corporations, lower excise taxes, and larger spending on programs of the Great Society.

The theory of the "new economics" has a fascination for the modern generation because of its intellectual elegance and scorn of evil—the evil of inflation no less than the evil of unemployment. In Professor Heller's words, the "success of the 'new economics' . . . requires willingness to shift or reverse gears" (p. 99). More precisely, "flexibility of program calls for a readiness to move taxes and interest rates up as inflation pressures mount and down as demand ebbs (p. 100). But this fine rule of symmetry was practiced unevenly by policymakers during the '60's—as it had indeed been before them, thereby strengthening the fears of many that the "new economics" may in practice be just another engine of inflation. Even now, Professor Heller does not stop to ponder or even to note the fact that the wholesale price level rose 4 percent between mid-1964 and the end of 1965. Even now, he believes that economic conditions required "overt fiscal stimulus" (p. 95) during 1965. Even now, while he takes pride in the boldly expansionist policy that was pursued when unemployment was extensive, he explains the hesitations of fiscal policy during 1966 on the simple ground that "the economic calculus was clouded by uncertainty" (p. 88).

Professor Heller professes little interest in the business cycle. "Gone is the counter-cyclical syndrome of the 1950's," he announces in the Preface. Later, he explains that closing of the gap between actual and potential output "rather than the smoothing of the business cycle became the main preoccupation of policy" (p. 64); and that "the main instrument for dethroning the cyclical model and enthroning the growth model has been the GNP or performance gap" (p. 62). Apart from language, I am unaware of any real difference between "gap-closing" and "smoothing of the business cycle" provided, of course, that the smoothing is substantial and occurs at a high level of the employment rate. There is no real difference here between the objectives of economic policy during the '60's and the objectives during the '50's. However, "enthroning the growth model" cannot of itself rid the economy of the processes stressed by business-cycle theory—for example, the imbalance that normally develops between capital investment and consumption or between costs and prices as the economy moves toward full employment. The "cyclical model" therefore serves a diagnostic purpose and its neglect can prove serious, as it indeed has. Fortunately, "the counter-cyclical syndrome of the 1950's" is not yet entirely "gone." It has not even been entirely abandoned by Professor Heller, for he too recognizes the need "to avoid the excesses that destroy expansions" (p. 49).

The unique function of the Council of Economic Advisers, in Professor Heller's well chosen words, is "to put at the President's disposal the best facts, appraisals, and forecasts that economic science, statistics, and surveys can produce" (p. 16). But, as he explains, the activities of the Council extend beyond giving advice to the President himself. Professor Heller discusses perceptively the activities of the Council since 1961, but he again fails to do justice to earlier his-

tory. He conveys the impression that prior to 1961 the Council pursued a "detached, Olympian, take-it-or-leave-it approach to Presidential economic advice" (p. 15). This description may fit the brief period when Dr. Nourse was Chairman of the Council. Otherwise, it is simply untrue. During 1953-1956, for example, the Chairman of the Council had weekly scheduled meetings with the President—a privilege that only one other member of the government, the Secretary of Defense, enjoyed. He had full access to the President at other times and he used it when necessary. He represented the Council at weekly Cabinet meetings, made frequent reports on current and emerging policy requirements, and participated actively in Cabinet debates on economic matters. He served as Chairman of various Cabinet committees and used the opportunity to advance the Council's program. He worked closely with the Secretary of the Treasury and the Chairman of the Federal Reserve Board. He and his Council colleagues spent a good part of practically every day striving for a consensus on policy issues with representatives of the various departments and agencies. The Council thus fought tirelessly within the Executive establishment for the policies that it deemed needed and proper. The Council did not, however, take to the stump and fight in the public arena for the President's program. It refrained from this essential political activity because it felt, by and large, that professional economists should stick to their knitting, that economic counseling and political advocacy could get in one another's way, and that economists should not devote their precious time to do what politicians—who at least then were not in short supply—can do better.

In other periods, both before and after President Eisenhower's first administration, the Council did indeed choose to play a large and active public role. Since 1961, as Professor Heller explains in detail, the Council has considered its advisory responsibility to include public advocacy of the President's program and even the occasional release of trial balloons in his behalf. It may not be easy to decide, on the basis of evidence yet available, whether such activities seriously interfere with the objectively and receptiveness to new thought and fresh evidence that the Council needs to have. It is still useful, however, to remember that political activities on the part of the Council nearly led to its destruction not too many years ago.

Whatever view one may take of Professor Heller's treatment of the past, his views concerning the future are always important. His plea for revenue sharing with the states and localities is well reasoned and well documented. It has already aroused wide interest in the Congress and will inevitably become a subject of lively debate once the pressure of Vietnam on the Federal budget eases. Professor Heller also makes an impressive plea for flexibility and speed in fiscal action. Since changes in tax rates affect swiftly the income structure, he feels that "high-speed income tax legislation, quickly translated into changes in withholding and quarterly payment rates, would give the Federal Reserve Board a run for its money in timely stabilization policy" (p. 102). This is difficult to achieve under our form of government, and the subject deserves the most careful thought and study—as Professor Heller urges.

Candor compels me to add that my enthusiasm for high-speed tax legislation, which was once considerable, has waned in recent years. I am not at all confident, by way of example, that fiscal policy in early 1968 would have been less hesitant if "push-button procedures or Presidential authority for temporary tax increases" (p. 98) had been available. With such devices at hand, we might very well have had a "quickie tax cut" in the summer of 1962, such as the Council then recommended (p. 33). But in that

event, would we have gotten the judicious and well-balanced Revenue Act of 1964 which became law only after Congress had worked long and conscientiously on the economic, ethical, and administrative issues surrounding the income tax? Besides doubts of this character, I do not think that economic forecasting is as yet sufficiently accurate to justify fine fiscal tuning. I also fear that if it ever becomes governmental policy to move income taxes up or down at brief intervals, this rule of fiscal behavior will become a normal part of expectations and the effectiveness of fiscal policy in inducing needed changes in investment and consumer spending will therefore be drastically reduced. Thus, if a tax reduction is deemed to be temporary, it will affect economic activity only through its effect on current disposable income and the spending response may be quite small. On the other hand, if the tax reduction is expected to be permanent, both individuals and corporations will not only be more willing to commit their larger disposable income, but they are also apt to use their brains, their energy, their liquid resources, and even their credit to take advantage of the new environment in which business is to be done. These considerations argue against frequent changes, but not necessarily against speedy changes, of tax rates. It would be helpful to learn what we can from the experience of Great Britain, Canada, and perhaps other countries where quick tax legislation has been practiced.

Let me say, in closing, that Professor Heller's optimism and his compassionate concern with both the present and future are perhaps the most engaging features of his book. His faith in the power and promise of the "new economics" is strong. The following is a typical utterance: "I count on our growing economic maturity to keep on lowering the political barriers to sound economic decisions" (p. 97). But Professor Heller is realistic enough to recognize that the path of the "new economics" is strewn with rocks in practice. His warning that "if fiscal and monetary policies are consistently less vigorous in checking overexpansion than in combatting underexpansion, the resulting inflationary bias could in part discredit the 'new economics'" (p. 50), is timely and constructive.

A NEW LOOK FOR SOCIAL SECURITY

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, I was most pleased to be invited by the editors of the *Business and Government Review* at the University of Missouri to prepare an article for their publication about the social security system. The *Review* is published bimonthly by the School of Business and the Public Administration Research Center at the University in Columbia. The article which I submitted, entitled "A New Look for Social Security" appeared in the January-February *Review*. I should like to draw it to the attention of those of my colleagues who may be interested:

A NEW LOOK FOR SOCIAL SECURITY

(NOTE.—The views expressed herein by Congressman CURTIS are his own, and thus, not necessarily those of the School of Business and Public Administration Research Center or the University.)

(By Hon. THOMAS B. CURTIS)

As first enacted in 1935, the Social Security program provided only retirement benefits, and covered only workers in industry and commerce. Benefits were financed through a flat tax of 2 per cent (half paid by the employer and half by the employee) on the first \$3000 of the worker's income. Insurance aspects were as much emphasized as the social aspects. Benefits were primarily related to contributions, and payment of the taxes was necessary to qualify for benefits. Today the insurance aspects of the system have almost whittled away leaving what some fear might become a complete welfare program.¹

Since this time the Act has been amended at least a dozen times, including 1967. Coverage, benefit eligibility requirements, and financing provisions have all been altered on several occasions. Benefits have been steadily raised. Even those persons who have contributed to the system at maximum rates since its inception are receiving benefits worth several times the value of the payroll taxes they have paid in. Dr. Colin D. Campbell, Professor of Economics at Dartmouth College, has calculated that a married man retiring in 1967, if he lives the 14 years he can expect to live after reaching 65, will receive under the 1965 Act benefits worth five times the payroll taxes he paid in. A married man retiring in 1962 at age 65 will receive eight times the value of his contributions. Even the single person, for whom social security is less of a deal than for nearly all other retirees, will receive benefits worth three times as much as his contributions.² Obviously the ratio of benefits to contributions is much higher for the great number of persons to whom coverage has been extended between 1935 and 1967.

The social security program is being paid for, but by today's wage earner and his employer, not by those persons currently receiving benefits. The cost of the program, in contrast to its early days, is no longer moderate.

In constant 1965 dollars the maximum tax has quadrupled since 1935.³ The current combined employer-employee tax rate is 7.8 per cent on the first \$6600 of employee income. Under H.R. 12080, the bill passed by the House of Representatives in August 1967, beginning in January 1968, the income base on which the tax is paid will be \$7600. The tax rate in 1969 will be 8.4 per cent increasing to 10 per cent by 1973. If recent trends continue, there will be no leveling off at this rate or this wage base either. H.R. 5710, the bill containing the Administration's 1967 social security proposals would have raised the taxable wage base to \$10,800 in three stages by 1974 and the tax rate to 10 per cent in order to provide benefit increases of 15 per cent. United Auto Worker President Walter Reuther in his testimony before the Ways and Means Committee suggested that the Committee and Congress consider raising the wage base to \$15,000 and supplementing the social security fund with general revenues in order to provide a 50 per cent increase in benefits.⁴ In my judgment,

¹ See, for example, an editorial, "Dangerous Ground for Social Security," *Business Week*, August 26, 1967, which I placed in the Congressional Record of September 27, 1967, pp. 27002-27004, along with my own introductory remarks.

² Collin E. Campbell and Rosemary G. Campbell, "Cost-Benefit Ratios under the Federal Old Age Insurance Program," to be published in *Compendium on Old-Age Assurance, Joint Economic Committee, 90th Congress, 1st Session, Table 2* (1967).

³ Tax Foundation, Inc., "Economic Aspects of the Property Tax" (New York, 1966), p. 15.

⁴ Hearings on H.R. 5710 before the House Committee on Ways and Means, 90th Congress, 1st Session, Part 3, at 1430-1431 (1967).

there is grave danger in expanding the social security program to this extent.

The basic concept of social security—to protect against indigency among the aged when they are no longer employed and to provide a base upon which other retirement programs can be built—is sound. But it has already been expanded to cover large portions of our society where the problems of indigency do not exist. Social security was never proposed as a complete retirement program for all persons in the society. Yet it is rapidly becoming just this for vast numbers of Americans who could provide for themselves if permitted to do so better than the government can provide for them. There is a limit to which the program can be beneficially expanded. I believe we are very near that limit under present law.

CONSTRAINTS ON THE PRESENT PROGRAMS

One of the major constraints on the further expansion of social security is the payroll tax itself which finances unemployment insurance and workmen's compensation as well as social security. This method of financing is basically sound. It is sound public policy to require the worker to help provide for his retirement years and not unreasonable to require an employer's contribution as a cost of doing business. Yet like any tax, the payroll tax has a point of diminishing returns. Many economists have argued that a tax greater than 10 per cent of payroll endangers the basic system.

A high tax of any kind is likely to cause serious economic distortions. This is certainly true of the payroll tax. It is a tax on jobs and therefore an employment disincentive. Depending upon the industry and a wide variety of conditions it may cause an employer to invest in labor saving technology and machinery. The result could be both a decrease in jobs available and a resource misallocation due not to labor's inability to compete, but to the fact that there is no social security tax on a machine.

The fact that social security is financed by the payroll tax ought to cause us to think long and hard before increasing the scope of the program as a means of combating poverty. Payroll taxes are a bad way to finance welfare. They are paid only by a limited segment of the taxpaying public—employers and employees in covered employment. More than this, they are regressive. A person earning only \$7,600 per year pays a 3.4 per cent tax on his entire income. A person earning \$15,000 pays a 3.4 per cent tax on only half of his income. The tax consumes a much larger proportion of the income of the relatively poor than of the relatively rich.

Cost-benefit ratio

Payroll tax constraints aside, there is a sound policy reason for not expanding social security as a means of combating poverty; we want to avoid overtaxing the worker for his retirement. This is not only undesirable, it is necessary. One prerequisite for public support of social security is a belief on the part of today's worker that when it comes time for him to retire he will get his money out of the program. Yet, Professor Campbell points out that the ratio of costs to expected benefits for the worker entering employment at age 22 in 1967 is 166 per cent. In 1937 the cost-benefit ratio for the 22 year old under the program existing at his time of entry was 133 per cent. The cost-benefit ratio at time of entry has been steadily rising over the years. Under the proposed H.R. 5710 the ratio for the person entering the labor force in 1974 at age 22 is 193 per cent.⁵

Admittedly, calculations of this kind are very difficult to make. Results depend considerably on the assumptions. A few con-

clusions over which there can be little disagreement are possible, however. It is certain that benefits must be increased in the future if the young worker of today is to get his money's worth. How much pressure giving the young worker his money's worth will put on the system is uncertain. Inflation certainly has been a disruptive factor in the past and is likely to continue to be in the future, particularly with the interjection of giving some benefits in kind rather than in cash, e.g., medicare.⁶ Furthermore, population growth which has permitted much of the growth of the program during the last 30 years is now leveling off. From 1950 to 1965 the number of retired workers receiving benefits grew more than six-fold, while the number of taxpayers less than doubled. Recent history has shown that labor productivity increases are insufficient without base and tax rate increases to provide benefits for those paying into the program during their working years, let alone finance complete or nearly complete retirement programs for persons paying little or nothing into the program.

These are the factors I see working against the continuation of the present social security program on a greatly expanded basis. A growing recognition of some or all of them has caused some persons to urge that the social security trust fund be supplemented by general revenues. I have two major objections to this approach. First, once this is done on any large scale, we destroy the few remaining insurance aspects of the program. At least at the present time there is a hazy relationship between benefits and earnings. Further, once general revenues are used, there is no longer meaningful discipline upon the program's expansion and its complete socialization.

With all of this said, however, the question of how we are to provide necessary increases in retirement benefits for our people remains. I argue that there are three basic reasons why such increases today should come from further emphasis on funded retirement programs rather than pay-as-you-go retirement programs such as government social security.

One of the reasons I have already discussed is the economic limitations of the payroll tax. The other two are perhaps even more compelling.

FUNDED PROGRAMS

Funded retirement programs can pay larger benefits than a pay-as-you-go system, because over 50 per cent of the benefits paid out to the retiree come from earnings on the investment of the fund. Our private pension plans today have over \$90 billion in their funds. The annual earnings run over \$4.5 billion. These funded plans are being extended to cover more and more people. About 25 million workers are presently covered in a program which was effectively started almost 10 years after social security. It wasn't until last year that the Congress effectively extended the tax treatment for corporate pension plans to self employed and their employees. In a few years 50 million or 75 per cent of the workers should be covered and the funds should be well over \$200 billion.⁷

Example

One brief example will emphasize the point.

⁵The effects of inflation under such programs as medicare which provide benefits in kind, i.e., pays for medical services, are borne by the government rather than the individual who bears these effects when benefits are paid in cash. Since medicare is also a part of social security, the strains upon the system as a whole will become greater if the tendency to pay in kind rather than cash continues.

⁶My Supplemental Views on H.R. 12080, House Report No. 544, 90th Congress, 1st Session, 200 (1967).

During the Ways and Means Committee hearings last spring I asked the National Association of Life Underwriters to prepare for the Committee a comparison of the additional cash benefits available at the maximum benefit level for social security beneficiaries under the terms of H.R. 5710, which contained the Administration's 1967 social security proposals, with retirement benefits provided for the equivalent premium by private insurers. The figures are most enlightening.

In 1974 under the provisions of the President's social security proposals, an individual would have been entitled to an increase of \$120 per month over the maximum benefit scheduled for 1974 under present law. The increase in the combined employer-employee tax was to have been \$439.80. Deducting the amount of the tax which finances disability and survivorship protection prior to age 65 (28.2 per cent⁸), the combined employer-employee tax which was to have financed the proposed \$120 per month social security benefit increase was approximately \$315. This \$315, if invested in a private policy issued at age 21, would finance an increased retirement benefit of \$278 per month. The increase in benefits available under a typical private program is more than twice as great as that available through the unfunded payroll tax system.⁹

Third point

This brings me to my third point, and the bonus which accrues to society when we rely upon funded programs to provide necessary increases in the retirement incomes of Americans. Any society has a need for capital to finance its economic growth and increased standard of living.

The Western European countries, particularly the ones that have been acclaimed for paying higher social security benefits than the U.S. social security system, look with envious eyes to the great U.S. capital market. They do not have the capital to finance their growth. Americans through their tripartite retirement systems have much greater retirement benefits per person than these same countries because Americans do rely heavily on funded retirement systems in addition to social security. In the process, Americans have created great savings through the savings and loan institutions (\$150 billion), through the pension plans (\$90 billion), through the insurance companies (\$200 billion) and savings in banks (\$100 billion) to finance the expansion of industry and their own living standards. If a society does not finance a large part of the retirement of its people through savings, it creates serious difficulties for itself.

People have only so much money to put aside for retirement. So when we cut in on the funded systems by increasing the pay-as-you-go system, we cut back first on the amount of benefits that otherwise might be paid to our employees and, secondly, on the capital that otherwise would be available to finance the Nation's growth, jobs and increased living standards for our people.

It is important that we understand our great society lest we, in our endeavor to improve and better it, unwittingly damage it.

THE EXECUTIVE CAN DOMINATE THE NEWS

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to

⁸Calculated by Robert J. Meyers, Chief Actuary of the Social Security Administration.

⁹Hearings, op. cit., 1237.

the request of the gentleman from Michigan?

There was no objection.

Mr. CURTIS. Mr. Speaker, Marquis Childs, in a syndicated column appearing in the January 15 Washington Post headlined, "L. B. J.'s Advantages: Dominating News," points up an important facet of the difficulties involved in adequately fulfilling a basic function of representative government; namely, the representatives reporting back to the people the decisions being made on public matters.

In our form of representative government, the President is the Executive to carry out the decisions made by the people's representatives in Congress assembled—although the Office has some legislative responsibilities.

In addition, the President has certain powers derived directly from the Constitution and not from the laws enacted by the Congress. Therefore he has a responsibility to report directly to the people on certain matters.

However, the President has a responsibility to report directly to the Congress on these same matters. The Congress in turn has a responsibility and the authority to require the President to report directly to the Congress upon his administration of the laws enacted by Congress, as well as of his direct constitutional powers.

There is an implied constitutional restriction, however, which forbids the President from reporting directly to the people over the heads, as it were, of the people's duly elected representatives on matters which are essentially legislative. Congress, from time to time, has restricted by law the executive's power to spend money and to use the facilities and the time of executive employees to influence the legislative process. The President and his appointees have the prerogative to present their views in depth to the Congress and congressional committees.

In recent years these restrictive laws have been continuously and openly violated. The greatest lobby in Washington today has become the executive branch of the Federal Government. The techniques employed by it increasingly rely upon misrepresentation rather than appeals to facts and fair arguments. Thinly disguised political blackmail and bribery backstopped by extensive campaigns to propagandize the people have subverted the study and deliberative process of the Congress in all too many instances.

If this process is developed to its ultimate, the Congress will become no more than a sophisticated mechanism to record the effectiveness of the propaganda programs conducted by the executive financed by tax moneys.

How far we have come in losing sight of the political structure embodied in the Constitution is seen in the format of President Johnson's state of the Union messages. These are no longer messages to the Congress. They are messages to the people over the heads of the Congress with the Congressmen relegated to the position of stage props to enhance the effectiveness of the propaganda extravaganza.

I do not fault the President for this

as much as I do the weak leadership of the Congress which permits it. And I fault my own party for not forcefully challenging the President and the Democratic leaders of the Congress on this issue.

It is important not to oversimplify the problem. An important function of executive agencies is to give out factual information to the public from time to time. Many laws require executive agencies to do just that. Some agencies are specifically established for that limited purpose. However, if this function of administrative government is used to propagandizing the people, it not only fails to achieve its proper purpose, it strikes at the heart of the reporting-back function of the Congress so essential to the operation of representative government.

Now coming back to Marquis Childs' article. It merely touches one aspect of the President's power to dominate the news.

I have sought to point up many other ways in which the President can and does dominate the news daily and insidiously.

Furthermore, the Executive can dominate the quick news which has become such an important part of our technologically advanced and busy society. Actions rather than deliberations are the grist for the 15-second comment in the daily national TV and radio news broadcasts and the 100-word national wire service items printed word for word in the columns of the daily newspapers throughout the country.

The Executive, by definition, acts and so creates news. But not so the Congress which if fulfilling its proper function essentially studies and deliberates. Its only easily reportable actions are the final votes taken at the end of this long drawn out process.

It is difficult to report the study and deliberative process meaningfully and objectively. Certainly it is difficult to report it as "quick" news without oversimplifications. Creating labels and readily recognizable personalities are the techniques of the art.

To the extent that the Congress performs as a study and deliberative body instead of as a super Univac registering the results of the input of the propaganda campaigns to that extent the ability to "quick" report what Congress is doing is diminished. Conversely, to the extent that the Congress does act as a super Univac, to that extent it lends itself to the "quick" report. The ready quip, the extreme statement, if it can be boiled down to 15 seconds, becomes the basis of the reports of congressional action to the people.

Perhaps if the weekly and the monthly national magazines undertook to report the study and deliberative process in the Congress with more accuracy and less quip and wit, the quick-news media's labels and coined personalities would be less deceiving to the public. Instead of being a guide the weekly and monthly magazines and the documentaries of TV and radio seem to take their guidance from the quickies. Or what is more sinister, they often become the willing accomplices of those, which includes the execu-

tive, who seek to propagandize the American people rather than to develop a rational public dialog by reporting the study and deliberative process.

One eminent reporter, the head of the Washington bureau of a prominent daily newspaper when introduced to a Member of Congress said:

I always enjoy meeting one of my competitors.

This was said partly in jest, but it illustrates an important point. Many reporters seek to make news rather than to report it.

To a reporter seeking to make news, a representative of the people assigned the job of studying and deliberating the social issues to render decisions is indeed a competitor. To such a reporter the manipulation of the news media with its established labels and political *dramatis personae* is the name of the game. This, however, is the easy game. Reporting the study and deliberative process is an exceedingly difficult game and requires a master's every effort to turn in a creditable performance.

To the historian seeking to write history to manipulate the course of current events instead of grubbing out the truth of past events, the Congressman is also, if not a competitor, at least someone to be manipulated.

The thrust of these perversions of the search for truth is directed not so much to the executive—who is concerned with action which it is not so easy to misreport as it is to the Congress which is concerned with study and deliberation.

Finally, I would observe that the election process, as well as the legislative process, depends upon accurate reporting to the people. If the issues which face the Nation and the positions of the politicians involved are not presented to the people with reasonable accuracy the process of popular election is undermined.

There are two professions which are basically responsible to the people for accurate reporting. First, and primarily responsible are the political representatives themselves and the party leaders. Second, there are the news reporters and the news media. Indeed, if the first group fails to study and deliberate and to make decisions in respect to the issues, or dissembles their individual views on the issues, how indeed, can the news media be faulted?

However, if study and deliberation has gone on, and decisions have been made upon this basis and the quality and quantity of it has not been reported to the people, then indeed the intermediary between the people and their representatives must bear the blame.

I think there is a little question that the weakest link in representative government today is the reporting back to the people of the study and deliberation which goes on on public issues. This weakness is so pronounced today that the blame for it must be widely shared by both professions, that of the politician and that of the reporter as well as by their academic backstoppers the political scientists and the historians.

Here is the column of Marquis Childs which set off this reminiscing:

L. B. J.'S ADVANTAGE: DOMINATING NEWS
(By Marquis Childs)

As a president in office in an election year, Lyndon Johnson is out to demonstrate how he can dominate the news and keep attention focused on the man doing the job. Such is the enormously expanded power of the presidency that this advantage cannot be exaggerated.

Beginning with the State of the Union message a stream of recommendations, statements and exhortations will pour from the White House. These are not merely the speeches or white papers of a candidacy for office. They are official papers commanding the headlines.

In foreign policy the authority of the Chief Executive carries the same weight. Already preliminary planning is beginning for an Asian summit to be held probably in early April. Annoyed by the belittling of his Christmas round-the-world trip by much of the press, the President is said to gloat over his upward rise in the polls. He attributes this to going where the action is.

Early next spring he will be on the television screens again demonstrating his devotion to the defense of freedom in Asia. And a third visit to the troops in Vietnam will beyond doubt be on the schedule of a jet-propelled President.

The foreign ministers of the Southeast Asian Treaty Organization are to meet in Wellington, New Zealand, on April 2. After they have met for three days, it is now contemplated, heads of government of five or six of the SEATO powers will come for a full-dress summit. Australia, the United States, Thailand and the Philippines will be represented as well as New Zealand and possibly Britain too. It will be an opportune occasion to foresee the successful conclusion of the war in X months and to underscore the promises of the Saigon government for long-neglected reforms.

Both on the domestic and the foreign side 1968 will be for the President the year of the big promise. The promissory notes will not fall due until 1969, since the shadow of a record budgetary deficit and the urgent need to stop the serious outflow of the dollar overshadow the current year.

The President will recommend a large-scale plan for reshaping the cities and breaking the barriers of the ghettos. The plan will lean heavily, according to advance indications, on private enterprise to carry a sizable part of the load with tax incentives as the carrot. He pledged in his television interview in December that if private enterprise failed to absorb the jobless in the slums the government would become the employer of last resort.

This implies very large government expenditures. But a test of the Johnson plan enlisting the corporations in the war on poverty would not be conclusive, if Congress goes along with the proposal until after the election in November. The Commission on Riots headed by Gov. Otto Kerner of Illinois will make a first report after March 1. Presumably the President will anticipate the Commission's grim findings with a wide-ranging program.

While the Chief Executive can create news and often take the play away from his challengers, he cannot forestall bad news. New outbreaks of urban rioting—what dire prophets foresaw as a form of guerrilla warfare—would present President Johnson with horrendous choices. He would surely have to call on Federal troops to prevent loss of life and destruction of property. The prospect of an urban ghetto cordoned off for an indefinite period in a kind of apartheid can hardly cheer the Executive, on whose shoulders the heaviest responsibility falls. Dick Gregory, one of the more flamboyant civil rights leaders, said the other day that unless certain demands are met in Chicago he will lead dem-

onstrations making it impossible to hold the Democratic National Convention in that city in August.

Similarly in foreign policy the President can lead but he cannot anticipate reverses. Great pressure is being put on the South Vietnamese government to demonstrate reform and pacification and, above all, to show what the South Vietnamese army can do. American officials are pressured to come up with hopeful reports.

One thing is sure—at home and abroad the President will be both literally and figuratively all over the place. His swinging impact as a newsmaker cannot be discounted.

ADJUDICATE OR ELSE

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FINDLEY. Mr. Speaker, yesterday I sent to the White House the letter setting forth an honorable and promising means of resolving the *Pueblo* dilemma.

Under it, our Government would demand recovery of our crew and the U.S.S. *Pueblo* and would use military force if necessary.

North Korea could avoid military action, however, and at the same time receive every protection and advantage any nation could reasonably expect by releasing the crew and ship and by accepting our proposal that the legal questions and possible claims involved in the recent presence of the *Pueblo* near the Korean coast be adjudicated by the International Court of Justice at The Hague.

Here is my letter to the President:

JANUARY 29, 1968.

HON. LYNDON B. JOHNSON,
President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: At this late hour, an honorable and promising course of action still remains for dealing with the *Pueblo* affair. It is, I believe, an appeal to reason which might well win cooperation from the government of North Korea and thus prevent military conflict.

It would take the form of a simple but clear ultimatum to that government on these terms: adjudicate—or else!

Under it our government would withhold military action and would agree to adjudication of all aspects of the dispute if the government of North Korea within 72 hours releases to United Nations representatives the U.S.S. *Pueblo* crew and the vessel itself.

Adjudication would suitably occur before the International Court of Justice at The Hague.

In making the proposal, we would warn that if the offer is not accepted, the United States would review its policies of restraint and take appropriate military measures to effect recovery. In such event, our government would ask Mr. U Thant, Secretary-General of the United Nations, to designate citizens from neutral nations to accompany the military expedition in order to observe any and all aspects of the military operations. This would provide useful testimony in the event that North Korea should subsequently agree to adjudication.

This proposal combines effectively both the carrot and the stick.

It assures the government of North Korea

every consideration and protection which a nation could reasonably expect. This would be accomplished by the rule of law by due process in the world's highest tribunal.

As such, it gives the North Korean government a face-saving way to release the crew and ship. The government could explain the release by saying, "After all, all we wanted was due process of law."

From the standpoint of the United States government, it provides a way to avoid further embarrassment caused by North Korean custody of our men and vessel, puts us plainly on the side of law—not force—as the means of settling the dispute, and still retains for us the option of military action if the other party does not accept adjudication.

Recognizing the gravity and complexity of the *Pueblo* episode, I am hopeful that these suggestions may be of some use to you.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

WHOLESOME MEAT ACT

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. STEIGER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. STEIGER of Wisconsin. Mr. Speaker, many questions have been raised about the recently passed Wholesome Meat Act. I would like to take this opportunity to include as part of my remarks a letter from the deputy administrator of Consumer Protection for the Department of Agriculture which in particular points out the "rule of reason."

I hope this letter indicates the kind of State-Federal cooperation we can expect in the enforcement of this new law:

U.S. DEPARTMENT OF AGRICULTURE,
CONSUMER AND MARKETING SERVICE,
Washington, D.C., January 19, 1968.

Mr. DONALD N. McDOWELL,
Director, Department of Agriculture,
Hill Farms State Office Building,
Madison, Wis.

DEAR DON: This will confirm our discussion on January 18 concerning facilities for meat plants.

Since the enactment of the Wholesome Meat Act (P.L. 90-201), members of the meat industry and State agencies with meat inspection responsibilities have indicated their anxieties over the application of Federal facilities and equipment requirements.

There has been a sizable class of operators that was immediately affected by the passage of this law. The United States Department of Agriculture has developed procedures for approving sanitary facilities, and bringing these plants under Federal inspection without causing "undue hardships," and forcing plants out of business.

This same policy will be applied to those existing plants under State inspection in meeting the new law's requirement of "at least equal" to the Federal standards. The construction requirements are now set forth in general terms in the Federal regulations. These requirements relate directly to maintenance of sanitary conditions to achieve the production of wholesome meat and meat food products.

The decision on acceptability of facilities now in use, has to be left to the appropriate program official who shall use the "Rule of Reason" in deciding whether sanitation production of meat products can take place.

Many questions have been asked about

rail heights, door widths, and similar items in the USDA guides to plant construction. These requirements are only to be applied to existing facilities to the extent that operating procedures cannot be devised to allow sanitary production of wholesome products.

Our interest first and foremost is in seeing that the consumer can be assured that the meat she buys is clean, wholesome and properly labeled.

Sincerely yours,

R. K. SOMERS,
Deputy Administrator,
Consumer Protection.

CUTBACK IN FEDERAL-AID HIGHWAY FUNDS

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. BLACKBURN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BLACKBURN. Mr. Speaker, recently, Secretary of Transportation, Alan S. Boyd, announced that there would be a cutback of \$600 million in the Federal-aid highway obligation levels during calendar year 1968. His news release stated this would be approximately 5 percent lower than 1967 levels.

I, and many of my colleagues, feel that these actions are illegal and clearly in violation of the intent of Congress as stated in the Federal Aid to Highway Act of 1956.

This act created the highway trust fund. It provided for the manner by which funds for highway construction would be made available. Expenditures from this fund have nothing to do with "deficit spending under the budget," the principal cause of inflation. The entire program was to be completed in 13 years or by 1969.

This Department head delayed expenditures from the highway trust fund in 1967 as you will remember. Now, he again states he will delay the expenditure of funds from the trust fund because "the administration is deeply concerned by the rising cost of highway construction" and that a "hold-down during this calendar year will be of 'important assistance in reducing this inflationary trend'."

Naturally, gentlemen, there is still no talk about cutting down on the war on poverty and other spendthrift programs which are part of the budget operation and do bear heavily on the extent of deficit spending and inflation.

For the record, the language of the act creating the highway trust fund states, "It is hereby declared to be essential to the national interest to provide for the early completion of interstate highways as authorized and designated in accordance with section 7 of the Federal Aid Highway Act of 1944. It is the intent of Congress that the Interstate System be completed as nearly as practicable over a 13-year period and that the entire system in all States be brought to simultaneous completion."

That was 12 years ago, when Congress stated that we drastically need an Interstate Highway System to save lives and

accommodate our exploding population. If these funds are cut back, we do not meet our goal and many lives will be lost on our Nation's highways. Estimates indicate that for every 5 miles of Interstate Highway System constructed, one life is saved.

During the first session of the 90th Congress, I entered a resolution stating that the Congress has the sole prerogative to designate the use of all funds which fall under the highway trust fund. Furthermore, I stated that the appropriation of money and decisions with respect to its use, are responsibilities of Congress. This responsibility cannot be abdicated by Congress, nor should it be usurped by the President.

Therefore, I feel that the Congress should urge the President to cease and desist from any further freezing or delay in allocating the funds received from gasoline taxes to the States for highway construction. Every day the costs rise. I am very pleased that many of my colleagues joined with me in entering this resolution.

Secretary Boyd persists in his actions and now announces a cutback in over \$600 million in these funds. Yesterday, I wrote a letter to the Secretary stating my objections. For the information of my colleagues, I insert a copy of that letter to Secretary Boyd in the RECORD:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 25, 1968.
Hon. ALAN S. BOYD,
Secretary of Transportation,
Department of Transportation,
Washington, D.C.

DEAR SECRETARY BOYD: I have just received your news release stating that you plan a reduction of 600 million from the funds available for highway construction. I have several questions which I would like to present to you concerning this matter.

(1) In 1956, when the Congress decided to adopt the Highway Trust Fund, it stated, "It is hereby declared to be essential to the national interest to provide for the early construction of the interstate highways authorized and designated in accordance with section 7 of the Federal Aid-Highway Act of 1944 to the intent of Congress that the interstate system be completed as nearly as practicable over a 13 year period, and that the entire system in all states be brought to a simultaneous completion."

(2) Furthermore, the Congress stated through Sec. 108 (b) of the Federal Aid Highway Act of 1956 that "any sums apportioned to any state under the provisions of this section should be available for expenditures in that state for two years after the close of the fiscal year for which such sums are authorized".

(3) I would like to point out that the taxes raised to fund the construction are raised from taxes imposed upon those who use the highways. The Congress intended those funds to be held in "trust" for the benefit of those who pay for the highways. I feel that the trust has been violated by the action of yourself.

(4) My last point is one concerning the practicality of cutting back the funds when we see that the cost of highway construction has been steadily rising for the past 10 years and will probably continue to do so in the future.

I would also like to know what you plan to do with the 600 million dollars in Highway Trust Funds that will not be distributed. Specifically, I want to know if plans exist to purchase Participation Certificates from any other government agency. Has your agency

purchased such certificates in the past, and if so, please disclose the extent of your present holdings, the agencies issuing such certificates and the interest rate being received.

Many of my colleagues, and I, are baffled over your actions and feel that any delay of highway construction utilizing funds collected for highway purposes is illegal.

Mr. Secretary, I sincerely hope that you give these questions your most studied attention.

Sincerely,

BEN B. BLACKBURN,
Member of Congress,
Fourth District, Georgia.

THE J. P. STEVENS CO. CASE

The SPEAKER. Under a previous order of the House, the gentleman from South Carolina [Mr. RIVERS] is recognized for 60 minutes.

Mr. RIVERS. Mr. Speaker, we have heard and read all kinds of stories about the J. P. Stevens Co., a company which has existed in this Nation since 1813.

There is no organization, no corporation on earth which has done more for its country, its employees, or for the comfort of every single solitary living American.

The treatment this company has received at the hands of this Government is one of the most disgraceful episodes that history has recorded in any civilization which has ever existed since time began.

I am today going to give the House of Representatives the facts in the J. P. Stevens case which was finally adjudicated by the Supreme Court on December 11, 1967. Impressions and stories are so inaccurate and distorted I feel it my duty to give to the Congress the true story of the Stevens case.

During the early part of 1963, union officials announced with great fanfare that the J. P. Stevens Co. was to be the first target of a new and all-out drive to organize labor in southern industry—particularly the southern textile industry.

Since that time, these labor organizations have used every conceivable device, including millions of dollars, and the prized support of the National Labor Relations Board to attain this objective. However, notwithstanding this all-out effort by the union organizers, aided and abetted by a Federal Government agency, these unionization efforts have to date been a complete and utter failure.

Union elections covering nine plants of the Stevens Co. have been held thus far—eight in 1965 and 1966, and one in 1967. In every one of these elections, including a rerun election, the proposal for unionization has been soundly rejected.

I want to make it abundantly clear, I do not blame the union organizers, they have a job to do and they are doing it. My complaint is that our Government is permitting this NLRB to subjugate a corporation with complete impunity soundly rejected.

One could very well ask, why then must these employees be forced repeatedly to reiterate their continued satisfaction with existing working conditions at the J. P. Stevens Co. and repeat their unequivocal rejection of the opportunity to pay dues to these labor chieftains?

The answer is evident on its face—neither the professional labor organizers or the National Labor Relations Board will accept "no" for an answer.

Since the free elections had rejected the union's efforts, the National Labor Relations Board, in concert with these union organizers, commenced a series of legal attacks on the Stevens Company to literally force them to aid and abet the union's efforts to organize its employees.

Thus, for example, following the elections which soundly rejected union efforts to organize the employees of the Stevens Co., charges of unfair labor practices were instituted by the unions. These charges were then made the subject of protracted hearings by the National Labor Relations Board trial examiners during which time a total of 443 witnesses were heard. Despite the fact that a majority of these witnesses upheld the position of the J. P. Stevens Co., the hearing examiners and the National Labor Relations Board arbitrarily and unilaterally rejected this favorable testimony and accepted the testimony provided by witnesses in support of the union's contentions. The trial examiners found against the company by simply deciding that all the company witnesses were lying and that all the union witnesses were telling the truth.

I agree that this sounds incredible in our society which prides itself on according impartial and objective justice, particularly when it involves the question of "rights" of a minority petitioner.

This circumstance becomes all the more remarkable since much of the testimony that was rejected by the hearing examiners related to material questions of fact. Thus, in apparently every instance in which there was a direct conflict of testimony on a material question of fact, the trial examiner arbitrarily disregarded the testimony of those witnesses favorable to the J. P. Stevens Co.

Now, in any objective and impartial hearing, it is axiomatic that an obvious conflict of testimony on material questions of fact must be resolved—and when the adjudicating authority has found that a witness has perjured himself, appropriate punitive action ought to be instituted.

The National Labor Relations Board does not bother to observe these traditional Anglo-Saxon precepts of elementary justice, but simply reserves the right to accept or reject whatever testimony it desires.

The judicial aspect of this function by the National Labor Relations Board then obviously becomes a mere mockery since the convening authority can conveniently accept such evidence and testimony as will support its preordained conclusions.

One of the trial examiners, Boyd Leedom, tried to explain this extraordinary procedure. He admitted that many of the witnesses supporting the company's position were fine, upstanding citizens, with good reputations in their communities. He pointed out that they had taken an oath to tell the truth. Yet, he decided that they were instructed by the company to give false testimony and that in accepting these orders to prevaricate, they did so somewhat in the spirit of

soldiers during a war, who, and I quote, "engage in the common error of fighting real or pretended evil with evil."

This fantastic rationalization by the trial examiner does in truth stagger even the wildest imagination.

Perhaps at this point in the RECORD, it would be pertinent to quote the language of the trial examiner and review the mental gymnastics which resulted in this arbitrary rejection of sworn testimony. I will now quote from Mr. Leedom and let the House judge for itself:

If I am right in the foregoing conclusion, and of course it is my best judgment that I am right based on all that I have seen and hear in the conduct of the hearing, then the responsibility of each person on the firing line, who was called upon to act as a witness in the unlawful denial of the employees' rights, is freed to a greater or lesser degree of individual guilt feeling, because the policy and the project he serves extends beyond himself, becomes not only plantwide, but companywide, industrywide, and large enough in some instances to encompass whole communities. In the process something in the nature of a crusade seems to develop in which means toward the end, that would be wholly rejected by the individual if the affair were entirely his own, are not only accepted and utilized but assume certain aspects of virtue in that the actors seek to overcome a common enemy, an evil that here takes on the form and name of unionism. And so either believing or rationalizing that their position is just, they engage in the common error of fighting real or pretended "evil" with evil. A dual standard of conduct—that is one standard for the individual, and another for an organized effort—has been recognized and applied throughout the history of mankind. War, out of which national heroes are born and are greatly honored by us all, is the prime example.

Obviously, Mr. Speaker, with the rejection of the majority of the evidence and testimony submitted by witnesses supporting the position of the J. P. Stevens Co., the hearing examiner could then easily find himself against the company. This amazing decision was then accepted by the National Labor Relations Board.

The penalties applied against the company as a result of this decision were so extraordinary that the company was forced to exercise its right of appeal to the courts.

The judicial appeal made by the J. P. Stevens Co. was rejected by the Second U.S. Circuit Court of Appeals and a writ of certiorari was ultimately denied by the U.S. Supreme Court on December 11, 1967.

The refusal of the U.S. Supreme Court to act on this appeal is particularly inexplicable since the Supreme Court itself, in *Universal Camera Corporation v. the National Labor Relations Board*, 340 U.S. 474, stated that the "reviewing courts" have a positive "responsibility" to see to it that "the Board keeps within reasonable grounds" in its factfinding and decisionmaking function.

Thus, by virtue of the failure of the J. P. Stevens Co. to obtain a thorough review of this case by the U.S. Supreme Court, the National Labor Relations Board has now largely freed itself from the restraints which Congress carefully sought to place upon it, in the amendments to the National Labor Relations Act 20 years ago.

Stated another way, this decision, in

effect, provides that the "factfinding" function of the National Labor Relations Board is virtually conclusive and that the shaping of appropriate "remedies" is essentially within the sole discretion of the National Labor Relations Board.

The Board has now therefore reached a position from which it can view its horizons as almost limitless.

In view of these circumstances, I believe that the National Labor Relations Board and its conspiracy with the chieftains of organized labor, makes it an ominous and dangerous threat to our system of free enterprise and our individual liberties.

I therefore recommend that the responsible committee of the Congress immediately initiate legislative efforts to write legislation which will eliminate the judicial function now performed by the National Labor Relations Board and substitute the establishment of a system of labor courts which will observe established rules of evidence in adjudicating disputes between labor and management.

A legislative change of this type is long overdue and we must bridle the authority of the National Labor Relations Board lest it prove in fact to be the Trojan horse which will destroy our Nation.

If our courts are too lazy or irresponsible to review the findings of a hearing examiner, then the law should be changed to force them to review such findings or special courts should be established. The J. P. Stevens case is a classic example of bigotry on the part of a Government agency, stupidity on the part of a hearing examiner, and outright laziness on the part of judges who do not want to be bothered with the facts.

If America is to be saved from the fate of Great Britain, free men must be allowed to work.

If America is to be saved from total state socialism, free men must be allowed to choose their leaders—in government or in industrial representation.

If America is to preserve the free enterprise system, the mismanaged National Labor Relations Board must be muzzled, modified, mutilated, and muted.

Mr. TUCK. Mr. Speaker, will the distinguished gentleman from South Carolina yield to me at this point?

Mr. RIVERS. Why, of course I yield to the distinguished former Governor of the great State of Virginia.

Mr. TUCK. Mr. Speaker, I would like to commend the distinguished gentleman from South Carolina [Mr. Rivers] for bringing up the subject of this discussion on the floor of the House of Representatives this evening.

Furthermore, I would like to take this opportunity to associate myself with the general sentiments as he has expressed them in his very excellent statement.

Mr. Speaker, I am familiar with the operations of the J. P. Stevens Co. I am quite familiar with the president of that organization, Mr. Robert Stevens. I have known him for many years. I regard him, and he is generally regarded, as one of the outstanding Americans of this generation. I know of no individual held in higher esteem by those who know him than Mr. Bob Stevens.

Mr. Speaker, I am familiar with the manner in which their plants operate. There is one located in my State, the

great State of Virginia, located within a mile of my own home. I know of the excellent labor-management relations which exist in that plant.

I am astonished that the American people would sit idly by and allow such an unworthy arm of the American Government as the National Labor Relations Board to enter such dictatorial orders as they have entered against this great organization which is the greatest of its kind in the United States, and which as the gentleman from South Carolina has pointed out, is the second largest in the world.

Mr. Speaker, this company has done much to enhance the culture, the economic development, and the educational opportunities of the people of this country.

I think it is a pity that such an organization should be harassed by this National Labor Relations Board.

One of the astonishing things to me is that a part of the order which has been entered by that Board requires a representative of that company to appear not only to reinstate these people who are complaining, but to go down there and appear before each and every shift of the plants in which they work and acknowledge the fact that they have violated the law of the land.

Mr. Speaker, I am proud of the fact that I come from a State which is proud of the fact that we sponsored the Virginia Declaration of Rights in that matchless instrumentality of freedom, penned by that great American George Mason of Virginia and under which the people are guaranteed the right to speak and to declare their sentiments upon all subjects and to have a review of that right.

Mr. Speaker, it seems to me that this represents a violation of one of the very fundamental principles of our Government and of our Constitution, to require the officers of this corporation to go and make a statement of any kind and, particularly, a statement to the effect that they have violated some law of this country.

It is my understanding that no one is required to give evidence or to speak unless he wishes to do so. And, never in the history of the jurisprudence of this country do I know of any instance where it has been held that a person would have to go and make a positive statement on any subject, particularly one involving a misdoing or miscarriage of justice.

I am astonished that even the National Labor Relations Board would enter any such order, and I am also shocked and astonished that the Supreme Court of the United States—established by the Founding Fathers for the very purpose of protecting the livelihood and the businesses of the people—would allow such a thing, and I can only account for it by their ineptitude or their instability, or both.

Mr. RIVERS. I can tell the gentleman why the Supreme Court did not review the case. It was because they were too busy following their favorite pastime of looking out for the Communists and protecting their rights. They have first priority, as the gentleman knows.

Now, it is obvious that this bird who conducted the hearings set his own rules of evidence, and naturally made any decision he pleased, and he did. And of course this Board down here in its findings, in substance and in so many words said that the president of the J. P. Stevens Co. must go down here to these plants and say, "I have been a terrible sinner; I have committed all of these things, I admit everything."

What does that mean? Why, that is the way that the Communists do every time they capture one of our people, they conduct a hearing and say that.

To give a board such powers is not American.

Mr. Stevens went to the circuit court of appeals, and they were too lazy to look into the facts, they were too occupied. Then they appealed to the Supreme Court, and of course they were too occupied with protecting these Communists because the dockets were filled up, and they were also too lazy to look into the case to see what this company suffered.

Now, this is one of the most disgraceful things that has ever happened in this country. Neither court took the time to look to see how this board treated this company. That is what I am talking about. I do not mind these people getting their jobs back, and it makes no difference to me, and I do not mind them getting 1 or 2 or 3 years of back-pay if they are entitled to it. But I believe it should be based on the common precept of the Anglo-Saxon concept of legal jurisprudence on which our whole legal system is based. That was not observed—that was not observed. And our courts failed—utterly failed to protect the rights of this corporation. This is what I am talking about.

The judicial appeal made by the Stevens Co. was rejected by the Second U.S. Circuit Court of Appeals, and a writ of certiorari naturally was rejected by this bunch, this crowd over here in the Supreme Court, and the refusal of the Supreme Court to act on this appeal is particularly inexplicable in light of the Universal Camera case against the National Labor Relations Board, where the Court held that reviewing courts have a positive responsibility to see to it that the Board keeps within reasonable grounds.

The Court held that. And Stevens went to the Court based on that decision, yet they were too lazy, too lethargic, too indifferent to go into the facts of the case.

Being the good citizen that he is, Stevens carried out the findings of this disgraceful National Labor Relations Board.

Now, I am just going to put the rest of what I have to say in the RECORD, but what it is is this: This Board is a disgraceful outfit. It should be abolished. It should be muted. It should be mutilated. It should be stricken from the face of the Federal quasi-judicial system of our Government. We need something more, Mr. Speaker. We need a labor court to protect both the laborer and the corporation.

But this group should have been abolished—and they should have been abolished on yesterday.

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

Mr. RIVERS. I certainly am glad to yield to my colleague, the distinguished gentleman from South Carolina, where most of our textile mills are located. Our colleague, in my opinion, is one of the authorities on this subject in the Congress of the United States. There are more textile plants in his area than any place on earth, as I understand.

Mr. ASHMORE. I thank the gentleman. I certainly appreciate the kind remarks of my colleague from Charleston, the great seaport city of South Carolina, and one of the great cities of the Nation.

The gentleman brought up a subject that I did not intend to mention although it is certainly pertinent to the issues here. I certainly do represent, if not the largest textile group of working people in the country, the second largest.

For many years there has been some dispute, or some friendly argument between my friend the gentleman from North Carolina [MR. WHITENER], from the Gastonia-Charleston area of North Carolina, and myself as to which has the most cotton mills and the most spindles and the most textile workers.

I believe that probably the truth of the matter is that I have the larger number of textile workers in the Fourth District of South Carolina and Mr. WHITENER would probably have the larger number of textile plants. The plants in my area are generally speaking much larger than those in the Gastonia area which my good friend Mr. WHITENER represents.

It so happens that Mr. Stevens, Bob Stevens, the head of this great company known as the J. P. Stevens & Co., at one time worked and in fact he started his actual experience and practical knowledge of the textile industry in the Dunean Mill in Greenville, S.C., many years ago when he was just a young man. He came up the hard way. He knows the textile industry from the bottom up. As I said, he actually worked in a plant there.

It hurts me, and it has hurt me for several years, to read of some of the publicity and some of the things that have been said about the company that Bob Stevens represents, because I know from my own knowledge, having grown up in the same town, that is surrounded by textile plants and the working men in those plants, many of whom I know personally.

Mr. RIVERS. I do not think anybody would object, and I certainly would not object before election. I have a factory in my town of Charleston and they had an election sometime ago to form a union. I do not care whether or not they want to do that. It suits me. All I want is a fair election. I want the company to have as much of a chance as other folks have. We are not complaining about that.

Mr. ASHMORE. None of us are objecting and certainly none of us representing the State of South Carolina in this Congress objects to a union or the workers in textile plants or in a cotton mill or cotton field or anyone in an automobile factory—everybody has the same right to organize and work for his benefit as a group the same as industrialists have to organize.

Mr. RIVERS. But they should not make rules as they go along and decide the

case before the case has begun, as they did in this one.

Mr. ASHMORE. That is correct.

I would say further that the J. P. Stevens Co., headed by Bob Stevens, has obtained the age of 155 years approximately because it started in the year 1813 and by progressive performance and not violating the law intentionally, as some of these labor goons and organizers would have you believe and as some of them have been propagandizing the public in this country. It just simply is not true.

As I said, I am proud of the Bob Stevens Co. I am proud of the employees, many of whom I know personally. I know their ability. I know of their loyalty. I know their character. I happen to know personally that in the Dunean Mill which is owned by the J. P. Stevens Co., and in the same building where Bob Stevens first had his practical textile experience, they have had two elections in the Dunean Mills as to whether or not the people wanted to join a union.

Mr. RIVERS. I just want to say, just in case you gentlemen do not know it, that when young Bob Stevens was a boy his father sent him down to work and to live in Greenville. He was sent to live in Greenville, S.C., in the district of the gentleman from South Carolina [Mr. ASHMORE]. He was also sent to work in the Dunean Mills and he got to know every single solitary employee.

A lot of them have gotten older since that time. They attempted to unionize this mill and they lost by amazing votes on two occasions. Mr. ASHMORE can tell you the very mill where this young man started. Mr. ASHMORE tells me that they could have 50 elections and they still would not unionize.

Mr. ASHMORE. That is correct.

Mr. RIVERS. He knows what he is talking about. You can ask him yourself.

Mr. ASHMORE. The National Labor Relations Board reversed the decision of the first election and said that something was wrong. I do not remember the details, but they decided with the organizer and said that J. P. Stevens & Co., the employer, management, did something wrong. They said, "Go back and hold another election. Hold it in a certain place, in a certain area on Dunean Mill property so the workers will not be influenced in any manner whatsoever." God knows how you can be influenced when you are voting by secret ballot. Anyway the NLRB ordered that the election be held at a certain place, at a certain time, and under certain circumstances. It was held. The J. P. Stevens Co. workers voted against the union by a greater majority the second time than they did the first time.

Mr. RIVERS. Can you imagine that, in free elections.

Mr. ASHMORE. These so-called Stevens cases have been in the headlines of the public press of this country for more than 4 years.

To put it simply and plainly, the heart of the matter is, frankly, my friends, that 44,000 employees of the J. P. Stevens Co. are earning their livelihood in that company. They have not indicated they desire to join a union. That is the reason they are working so hard to try and find some legal or illegal means of destroying

the great company about which we are talking today, the J. P. Stevens Co.

I have a great deal of information before me. I know it is getting late, and I know other Members wish to speak. But before I sit down, if the gentleman will yield to me for this one point, the trouble in this situation is the National Labor Relations Board. It is a quasi-judicial organization that attempts to make decisions as though it was a court of last resort. The incident that the gentleman from Georgia [Mr. BRINKLEY] referred to is simply unbelievable and unheard of in the United States of America where the National Labor Relations Board found against the company—and that is their right if they so interpreted the testimony.

Then they ordered Bob Stevens or his personal representative to go into these plants and make a confession of guilt. Why, a man charged with stealing a chicken or committing a murder in this land that we love so much cannot be ordered to confess his guilt if he in his own heart thinks he is not guilty. They have never contended anything but that they were abiding by the law, the Stevens Co., and for a quasi-judicial court, and then a court of appeals, to refuse to reverse a decision like that, and for the Supreme Court of this land to uphold a decision of that kind ordering a citizen of this country to do a thing of that kind is just unbelievable.

I do not believe our courts read the record or they would never have approved any such order. It is un-American, unjust, unfair, and "un-everything" I can think of, if I were to use proper language under the circumstances. It makes me sick.

Mr. RIVERS. It should make you sick. It makes everyone sick.

So it boils down to this: The NLRB becomes the court of last resort because our courts are so lazy, so indifferent, so preoccupied that they will not render justice. We ought to create special courts to adjudicate this type of disagreement.

Mr. Speaker, at this time I yield to the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Speaker, I also commend the gentleman from South Carolina for taking the time to publicly expose some of the sordid facts that he has very well discussed here today regarding the so-called Stevens case.

I fully share his belief that the National Labor Relations Board should either drastically change its modus operandi, its conduct, its methods of handling these disputes, or it should be abolished and replaced with a labor court of some sort, where the American people would have some assurance of getting fairness and justice accorded to them when they have occasion to make use of a tribunal to resolve labor-management disputes that may arise in our society.

I have had occasion to study some parts of, or most of, the so-called Stevens case. It could be described as a war against Stevens. It has been going on, as stated, for several years. I do not know if the entire number of instances have been cited here today, but I am sure they will be included in the gentleman's remarks. As I recall reading the record, there have been eight different instances where upon free elections under National Labor Rela-

tions Board supervision have been held in plants selected by the union, not by Stevens, and in each one of those instances the overwhelming majority of the employees have said, "We do not want to have a union."

Mr. RIVERS. That is correct.

Mr. FISHER. One would think in a free society and free America, with that kind of disposition of an issue, that the matter should be settled and it should be rested. The people have spoken. The methods provided by the Congress for determining the issues and resolving them have been employed in a fair and proper manner. Yet, time after time, despite these elections, we find the union, aided and abetted by the National Labor Relations Board, a Government agency, have joined in a conspiracy.

Mr. RIVERS. Beyond question of a doubt.

Mr. FISHER. They have joined in a conspiracy against the Stevens Co. and have browbeat and intimidated them and made life so miserable that they would yield, contrary to the expressed will of the employees themselves.

Of course, it is very difficult in this busy life to get people to stop and study these things, but I think if the American people fully understood the extent to which this combination, this conspiracy between the National Labor Relations Board on the one hand and the union on the other, the combination of the two, is pitted against this one corporation, if they knew the facts in this, it would curl the hair of every right-thinking American, and they would all rise up and demand that there be a massive fumigation of the National Labor Relations Board, or that it be replaced by a labor relations court. I do not know any other way out, unless there is a drastic change in the operation.

I have introduced a bill, pending now, to create a labor court, where people would have some assurance of fair treatment, rather than by a Government agency which is investigator and prosecutor and judge, in instance after instance.

Mr. RIVERS. And they should practice some elementary form of evidence. They have not practiced any.

Mr. FISHER. The objectivity that we have a right to expect has not been there.

I understand a Senate committee is now undertaking an investigation of the NLRB and other agencies. I am delighted to know that. I am sure that committee will have the cooperation of many people who are aware of some of these excesses and some of these miscarriages of justice of which the NLRB has been a part.

The Stevens Co. should be complimented for their courage and fairness and patience in meeting this tremendous onslaught, because it is a powerful combination when the U.S. Government and the union combine, and not only the union, with the resources of that particular union, but also of the AFL-CIO—these are combined against one company in a militant, determined, year-after-year war to wear the company down and undertake to make the company buckle under. Rule or ruin has been the policy of this combination.

Mr. RIVERS. This is pretty strong, because in addition to the resources the gentleman from Texas has mentioned, they also have the U.S. Treasury behind them.

It is a pretty strong financial organization against the Stevens Co. or anybody else.

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

Mr. RIVERS. I yield to the distinguished gentleman from Georgia.

Mr. FLYNT. Mr. Speaker, the part of the discussion thus far, which has been led by the distinguished gentleman from South Carolina, the chairman of the Committee on Armed Services of the House, shows that the hearing examiner and the National Labor Relations Board failed to follow the established principles of receiving evidence and of evaluating evidence that is received.

Mr. RIVERS. That is correct.

Mr. FLYNT. It becomes increasingly clear, with a study and a restudy of this order, which has, by the failure of the courts to act, in effect been affirmed by the courts, that the effect of this order is to impose upon a company what is probably an unconstitutional, and certainly an unconscionable, type of punishment in this particular case.

In second place, it becomes increasingly clear that the hearing examiner made up his mind what his decision was going to be before he evaluated the evidence and then undertook to downgrade all evidence which was favorable to the company in this case.

Mr. RIVERS. That is correct.

Mr. FLYNT. It is just as bad to tamper with the evidence by a hearing examiner as it is to tamper with a jury by a party to a legal proceeding.

The time has come, Mr. Speaker, when the Congress of the United States must take a new look at the rules of procedure under which the National Labor Relations Board operates. It may be that some good will come out of this iniquitous decision by the hearing examiner and the Board, and that will be that the Congress of the United States may undertake to favorably consider some of the legislation which has heretofore been proposed to abolish the National Labor Relations Board and to create a labor court for all parties. Some day it may be the unions who feel they are being discriminated against, as the company does here.

Mr. RIVERS. That is right.

Mr. FLYNT. Regardless of where discrimination takes place in the hearing of a judicial or quasi-judicial proceeding, no administrative body, no quasi-judicial body, can justify its existence unless it follows the rules of evidence and the established rules of procedure within the United States. To do otherwise is to make a mockery of justice out of any proceeding which comes before them. That is apparently what has taken place in this instance.

Mr. RIVERS. Never ever, ever, has anything like this happened in America before.

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

Mr. RIVERS. I yield to the distinguished gentleman from Columbia, S.C.

Mr. WATSON. I thank the gentleman. Mr. Speaker, and my colleagues of the

House, I certainly want to join with the others here in expressing indignation, even wrath, over the recent decisions of the National Labor Relations Board and the subsequent lack of action taken by the courts.

I am sure all who have spoken are more knowledgeable, and certainly know the parties involved much better than I. I am sure they have mills in their districts of greater proportion than I have in my district.

But as a lawyer I am concerned about this decision, because I believe it is one of the most atrocious decisions we have ever seen, or at least I have ever read.

I want to say this: Mr. Bob Stevens certainly could have no more able or no more courageous an advocate in presenting his case to the House of Representatives and also to the American people.

Unfortunately, I fear that our limited efforts here today will never be able to counteract what has been done and what has been carried in the press about this so-called J. P. Stevens case over the years.

I know those who have dealt with this company know they are of the highest order. Those who are familiar with their employees likewise know they are dedicated. Simply because they have decided they do not wish to organize into a union certainly does not detract from their dedication and their ability as employees.

I think, really, although this is a tragedy, as Governor Tuck pointed out a moment ago, when you require a man, as this NLRB required the J. P. Stevens Co., to announce to its employees, "I am guilty and I am in violation of the law," why, that goes against every semblance of basic jurisprudence that we have had in this country. Why, you can be accused of murder and be convicted and then, as you are led to the electric chair, you can still proclaim your innocence and no one can compel you to say that you are guilty except the NLRB in this instance which compelled Stevens to stand up and say he was guilty when he verily believed he was not. The greater weight of the evidence and the overwhelming weight of the evidence established the fact that he was not guilty. Yet the examiner of the NLRB and later the NLRB decided arbitrarily that he was guilty.

May I say this to my dear friend from Charleston and the others who have spoken and the Members of this House, as someone alluded to earlier, perhaps this atrocious decision will result in some good. Perhaps it will awaken us in the House and in the Senate to the absolute necessity to do something about the NLRB.

In May of last year, I believe it was, as a result of this decision and other decisions by this Board, I had concluded that they were unable to do the job that Congress wanted them to do; that they were causing more animosity and bringing about more dissension and disruption of relations between employers and employees than they were settling decisions as they were intended to do when they were established. So back in May of last year I concluded that there was no hope in the NLRB and introduced a bill then to abolish it and substitute in its place a 15-member labor court with men

of judicial experience to deal with this in an impartial manner.

Again let me commend my esteemed leader and friend from Charleston for presenting the case for the J. P. Stevens Co. In my judgment I think it is more over a case for American industry and moreover I think it is a case for the American employee and moreover I think it is a case for the American people, because any man and any lawyer, especially one who would read this case, would certainly be astounded at the decision that was made by the NLRB examiner and by the subsequent action of the Board.

Mr. RIVERS. Mr. Speaker, I thank the gentleman and now yield to the dean of my delegation, the gentleman from South Carolina [Mr. McMILLAN].

Mr. McMILLAN. Mr. Speaker, I thank the gentleman from South Carolina [Mr. RIVERS] for yielding this time to me and for securing this time this afternoon, and especially I wish to commend him on his remarks.

Mr. Speaker, I heartily agree with every word he said and the other Members who have participated in this debate have said this afternoon. I am certainly disturbed over the fact that the Federal Government would compel any person to get on the stand and tell a lie. I just cannot believe that there is any Government agency in this great country of ours that would stoop to compelling a man of Mr. Bob Stevens' character and ability to make a statement which he knows is untrue and which we all know is untrue. All of us have had dealings with Mr. Stevens and his company during the past 30 to 35 years, and if there was ever a company which enjoys a fine reputation, it is the Stevens Co. I know on several occasions when the employees ordered an election and they had been soundly defeated on each occasion, these people who were there staying at large hotels in my hometown and in other towns where J. P. Stevens have plants continued to remain in them to try to conduct this business even though they had been soundly defeated.

Mr. Speaker, I just wonder when we shall be able to convince the labor unions that companies like the J. P. Stevens Co. will not get on their knees and crawl to the union.

Mr. Speaker, I want to join my colleagues here on the floor of the House this afternoon in expressing my appreciation and commendations to the J. P. Stevens Co. for the service they have rendered not only the people of the United States but most especially the Government of the United States during World War II and the Korean war, also during the days of preparation for war and the Vietnam conflict.

The J. P. Stevens Co. devoted special research to developing products that would function properly in various specialities systems. For instance, this company makes 60 separate fabrics for parachute uses alone simply because these parachutes have to perform very differently in the varied functions from bringing fighting men down safely to slowing space capsules. The entire Congress should recognize the fact that of 54 firms that bid to supply worsted serge for uniforms during the Korean war, 39 are not out of the

business. The J. P. Stevens Co. is continuing to supply our Government textile materials for uniforms, linens, and every other item used in a war without any delay or squabbling as to prices.

Some union labor representatives have spent hours in an effort to unionize J. P. Stevens Co. without succeeding, since this great company has always paid higher salaries than the unions demand. Only a handful of employees have made an effort to unionize the individual J. P. Stevens plants in my State. Mr. Bob Stevens, president of this company, served with distinction as Secretary of War for a number of years and it seems to me that our Government should thank and heap praises on the shoulders of the officials of the J. P. Stevens Co. for the fine record of performance they have rendered the people of this country during the past 154 years.

In my humble opinion, the National Labor Relations Board with its pro-labor staff offices are doing everything possible to destroy the record of this outstanding company and one of our largest tax-payers.

It gives me great pleasure and certainly a privilege to have an opportunity to speak out in behalf of this great company when it does not take a detective or unusual brain to see that certain elements in this country are doing everything possible to destroy the fine record made by the J. P. Stevens Co.

Mr. RIVERS. I thank the distinguished gentleman from South Carolina.

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

Mr. RIVERS. I yield to the distinguished gentleman from Greenwood, S.C. [Mr. DORN].

Mr. DORN. Mr. Speaker, I do wish to commend the distinguished chairman of the Committee on Armed Services of the House of Representatives especially for taking this special order today on this subject. I know of no one better able to lead this discussion here in the House of Representatives today. I think it is fitting and proper that the distinguished gentleman from South Carolina [Mr. RIVERS] lead us here in this discussion of this tragic state of affairs concerning one of the greatest companies in the history of the United States of America.

Mr. Speaker, I know Mr. Bob Stevens is a great patriot. I know that his company is dedicated to the preservation of American democracy. I know of no man who has spent more of his time dedicated to the GI, dedicated to those men serving at the front, and to those employees who are associated with those men standing guard on the ramparts of freedom all over the world than Mr. Bob Stevens.

Mr. Speaker, this is a war today of industrial potential as well as a war of fighting at the front. And this great country of ours, as the distinguished chairman of the Committee on Armed Services has so ably stated, has since 1813—in fact, since the War of 1812—including the War of 1812—has done as much to preserve freedom as any other company in the history of our great Republic.

Mr. Speaker, in my opinion it is tragic

that this company and the men who represent it, men such as Mr. Bob Stevens, who served as Secretary of the Department of the Army under former President General Eisenhower, and who was an associate of the late great General MacArthur, and all of these great men who have helped preserve the freedom of our country, it is ironic and tragic that he has to stand, as does the commander of the *Pueblo* in North Korea and be subjected to the same kind of tactics of getting up and saying, "I am guilty."

And, Mr. Speaker, I would say to my beloved chairman of the Committee on Armed Services of this great body that if the commander of the *Pueblo* did get up today and say, "I am guilty," I believe he would be released. But he is not going to do it, because he was in international waters.

And, Mr. Speaker, it is my opinion that it is just as much a threat to the freedom of this country for people in the United States like the great J. P. Stevens Co. to have to bow down to similar tactics, tactics which are demanded by the Communists in North Korea and who are trying to make the people whom they capture and grab upon the high seas, come to the same situation.

Mr. Speaker, I know the employees of this great company. This company has over 30 plants located in the great State of South Carolina. I know about the schools which they have supported. I know about the philanthropies of this company, and I know about the elections which were held, and in every single instance, the fine American people in those plants chose not to join this union, as an American right.

Mr. Speaker, I wish to commend again my distinguished chairman of the Committee on Armed Services and my colleague, the distinguished gentleman from South Carolina [Mr. RIVERS], for bringing this to the attention of the Congress and to the attention of the American people. I feel that we ought to do something about it.

Mr. RIVERS. I thank the distinguished gentleman from Greenwood, S.C., and I want to say this in closing: Other industries had better take note of what has happened to the J. P. Stevens Co., and warn them that a quasi-judicial board which has no rules of procedure can make the rules as it goes along and make the decisions before the case begins and then have the courts to be so lethargic, so lazy, so indifferent, so preoccupied, that they will not even look into the manner in which these people have conducted the so-called trials which in my opinion represents one of the darkest ages in the history of our legal jurisprudence.

And it is notice to them, they may be next, this could be the beginning of the end of our free enterprise system. It could. And we had better do something about it before it is too late, because this is serious—this is serious.

I have a Stevens mill in my district. The people are tickled to death for the opportunity to work for this great company. They love their jobs. They do not want anybody tampering with them. They want the freedom to come and to go and to do what they have a right to do,

but they do not want this NLRB to come down there and fool with them. And this is disgraceful—disgraceful—before Almighty God.

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

Mr. RIVERS. Certainly I will yield to the gentleman from South Carolina.

Mr. WATSON. Mr. Speaker, I do not know whether the gentleman initially asked for unanimous consent for some of our other colleagues to put some comments in the RECORD, but I am sure that many of them will want to do so. I know that one of our colleagues from South Carolina, who is now presiding as the Speaker, has a lot of textiles in his area, and I know that he is vitally concerned and interested in them. Therefore I hope that the gentleman will make such a unanimous-consent request so that others might put their remarks in the RECORD.

Mr. WHITENER. Mr. Speaker, the recent decision of the National Labor Relations Board in the case of the J. P. Stevens Co. should be of concern to all Americans. It is of greater concern that the highest Court in our land did not even bother to review the shocking action of the NLRB.

As a lawyer, it is beyond my comprehension that any quasi-judicial body or any court in America would undertake to require any litigant to publicly admit guilt when that litigant had denied guilt through all of the tribunals available to it. This is what was done in the Stevens case.

As a former prosecutor, I have tried many defendants who professed their innocence, notwithstanding an adverse decision by a jury. I would never have been a party to requiring that defendant to publicly admit guilt when he insisted upon his innocence. It was the function of the court to provide the penalty provided by law and not to bring about a forced confession.

Mr. Speaker, I believe that it is time for Congress to take a new look at the entire operation of the NLRB. If the shocking actions taken in the Stevens case are accepted by the Congress, we will see a new body of law develop in our country which will destroy the rights of every citizen.

This case transcends in importance the rights of the parties involved in this particular incident. It is of importance to every American and we should call it to the attention of the citizens of our country by every possible means.

When the matter was first brought to my attention, I was reluctant to inject myself into what seemed to me to be a private lawsuit. That first impression of mine was abandoned when I found the time to read the NLRB decision, the record, and orders entered by the court. It is only after careful consideration of this information that I arise to decry the procedures and remedies prescribed by the NLRB and sanctioned by the Federal courts.

Mr. RIVERS. Mr. Speaker, in conclusion I wish to thank all of the gentlemen who have participated in this discussion, and to thank them for the great contributions they have made.

GENERAL LEAVE TO EXTEND

Mr. RIVERS. Mr. Speaker, I ask unanimous consent that any Members who are interested in the subject matter of my special order may have 5 legislative days within which to extend their remarks on this subject matter.

The SPEAKER pro tempore (Mr. GETTYS). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

THE ELECTRIC POWER RELIABILITY ACT OF 1968

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, I am pleased today to join our distinguished colleague from New York [Mr. OTTINGER] in introducing legislation entitled "The Electric Power Reliability Act of 1968." Our able colleague deserves hearty commendation for initiating this most desirable bill and it is a privilege for me to be associated with him.

This legislation is designed to prevent the recurrence of the massive power blackouts which have frequently struck various sections of the Nation in recent years. It also adds new consumer protection and conservation provisions to the Federal Power Act. This legislation essentially would do the following:

First, direct the Federal Power Commission to coordinate utility planning on a regional basis, and to pass on the adequacy of all major new transmission lines and generating facilities;

Second, assure that adequate power is available throughout every system in order to prevent such massive failures as the great Northeast blackout of November 1965;

Third, call for a change in the Federal condemnation law, providing for judicial review of a condemnation proceeding to insure that the action is not only in the public interest, but that no better alternative for the utility project is available; and

Fourth, require that utility companies make regular public disclosures of their expenditures for advertising, public relations, promotion, and other activities not directly related to service or to the generation or transmission of power.

Mr. Speaker, the great Northeast blackout of November 1965, and subsequent failures, graphically illustrate the fact that only the type of Federal action called for in this bill can truly protect the public. Recent statements by power experts testify that only the unusually cool summer last year prevented a catastrophic regionwide failure.

These blackouts so obviously jeopardize public health and welfare that it is imperative that we act, and act now, to prevent anything like the great blackout from happening again. Need I point out that in my own city of New York during that incident, major air tragedies were averted only because it was a clear night. Had it been overcast, I hesitate to think of what would have happened. As it was, hundreds of thousands of people were

stranded, while business losses totaled hundreds of millions of dollars.

The regular public disclosure provision is designed to insure that rate-payers funds are not misused or allocated for nonpower projects such as was the case, recently in New York. In that instance, a major utility invested millions of dollars in a project which had not yet been approved by the FPC. A good portion of those funds were used for publicity and advertising to promote the project with the FPC and the public. Disclosure of such outlays will, of course, go a long way toward discouraging such abuses and should bring all such transactions before the eyes of the public.

Finally, Mr. Speaker, the conservation measures that will be accomplished by enactment of this legislation must be provided for the unborn generations of Americans yet to inherit this great land of ours.

A PROPOSED INCREASE IN THE BUDGET FOR THE NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Nevada [Mr. BARING] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. BARING. Mr. Speaker, in presenting the 1969 budget, the administration pointed out that, faced with a costly war, it had to choose carefully among competing demands on our resources. Therefore, the administration said it was offering a set of priorities.

Yet a close scrutiny of the budget reveals that the National Foundation on the Arts and Humanities shows an increase of over \$10 million compared to 1968 and the number of employees increased from 82 in 1968 to 107 for 1969. The Foundation's budget for 1969 is nearly double that of 1967.

Surely such high priority programs of the Foundation, such as issuing grants to colleges and universities to study the history of the comic strip, to research and edit the unpublished memoirs of the Spaniard Oviedo, for a study on the political thought of William of Ockham, 14th-century theologian and philosopher, and research of sign language of the monkey, the latter being a grant to the University of Nevada, in my State, are hardly worthy of any increase to our staggering national debt.

If the administration deems it must spend this \$10 million, then at least put it in a program where it will do the country some good.

A RESPONSIBLE AND RESPONSIVE NATIONAL BUDGET

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Oklahoma [Mr. ALBERT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ALBERT. Mr. Speaker, the President has presented the country with a concise, responsible national budget.

It meets high priority national needs, supports the fight for freedom in Vietnam, and strengthens the prosperity Americans have enjoyed for the past 7 years.

The 1969 budget is as tightly controlled as any I have ever seen a President recommend to the Congress. Only the most pressing domestic and national commitments are being honored. The total amount increases only \$10.4 billion over last year, and this represents mandatory increases for veterans benefits, social security, and medicare payments, and interest on the national debt.

President Johnson has reset national priorities. Funds have been shifted from older programs to new programs—such as job training for the hard-core unemployed, the fight against crime, health care for children and mothers, housing for middle- and low-income groups.

The President has clearly demonstrated that he intends to keep costs down, reduce expenditures to a minimum, but still get the most social and economic usefulness out of every dollar.

The President's budget cannot do what it must, if the Congress does not contribute to fiscal responsibility. The surtax must be enacted. To do so soon will avoid the serious consequences of inflation and tight money. Not to do so will be a denial of our duty.

We have here a fiscal document which is the foundation for a better and greater America. It is the fuel which fires the great engine of the American state and our society. Let us accept it, study it, and approve those measures which our citizens and our friends overseas expect of a great nation.

Let us say "Yes" to a great President.

ROSENTHAL PROPOSES AID FOR OLDER AMERICANS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROSENTHAL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, our national preoccupation with youth tends to divert us from effective consideration of the problems of our older citizens. We may deplore this emphasis, but so far we have done little to correct it. Last year, for example, we had the chance to update our cumbersome social security program so that it could truly meet the growing needs of older Americans. We missed that chance because we were willing to compromise with these pressing needs. We passed a compromise revision of the Social Security Act that was lackluster where not actually regressive.

I have introduced a bill which would effect a comprehensive updating of the Social Security Act. Our older citizens, as

well as the millions of younger families who, even today support aging parents, deserve a better bill than was given to them last year. My bill would substitute realistic guidelines for all of the obsolete provisions encrusted into the present bill. By raising benefits by an average of 35 percent, my bill would make our social security laws more reflective of senior citizen needs.

Major provisions include—

First. Minimum monthly retirement benefits of \$100 per individual and \$150 per couple, and average monthly retirement benefit of \$133 and \$220 respectively.

Second. Automatic cost-of-living adjustments which would relieve Congress of much of the need to adjust the Social Security Act each year through the legislative process.

Third. Prescription drug costs to be added as allowable benefits for recipients willing to pay an optional extra dollar per month on premiums. This would be a major addition to social security benefits, long advocated by students of the program, which would meet the needs imposed by the spiraling costs of modern drugs.

Fourth. Eliminating regressive restrictions imposed on the 1967 amendments on welfare recipients who also receive social security benefits.

Fifth. Eliminating the restrictions placed on Federal support of State insurance programs for the medically indigent by the amendments passed in 1967. This provision would insure the continuation of programs like New York State's medicaid which were endangered by the 1967 restrictions.

Sixth. Increased allowable income ceilings for social security recipients over 65 years of age. The present ceilings are unrealistically low, and provide no incentive for older Americans to continue productive part-time employment.

Seventh. Classifying parents of social security recipients as dependent beneficiaries.

Eighth. Granting eligibility to otherwise eligible widows who remarry. Presently, such widows are denied the benefits otherwise due them.

Mr. Speaker, my bill is an integrated proposal aimed at solving the complex problem of guaranteeing a retired life of dignity, independence, and freedom from care for 20 million Americans today, and for the many millions more who will soon become eligible for social security benefits.

WHAT HAPPENED IN GREECE?

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROSENTHAL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, meaningful assessments of events in Greece are exceedingly hard to come by, and this dearth of responsible information can only intensify the awkwardness of our responses to the April coup. For example,

I feel that our recent resumption of diplomatic relations with the junta that presently rules Greece may well have been hasty.

It is clear that we need to know considerably more about the context of the present Greek drama than we now know. The December 1967 issue of *Commentary* magazine includes a provocative article by Maurice Goldbloom that fills some of our informational needs. Mr. Goldbloom has had a long and continuous association with Greece since 1950-51, when he served as the labor information officer of the U.S. economic mission to Greece. He can claim expert knowledge of recent Greek history, and his article, titled "What Happened in Greece," is a valuable summary of the background to the current upheaval.

The article follows:

WHAT HAPPENED IN GREECE

(By Maurice Goldbloom)

On March 12, 1947, President Harry S. Truman asked Congress to aid Greece to preserve a "way of life . . . based upon the will of the majority and . . . distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political oppression." Twenty years later, on April 21, 1967, a small group of army officers seized power in Greece in order to thwart the will of the majority, destroy free institutions, abolish representative government, and prevent free elections. They put an end to all guarantees of individual liberty, throttled freedom of speech, imposed a hand-picked administration on the Greek Orthodox Church, and began a reign of terror against political dissenters. The officers who did this had been trained by American military missions and the weapons they used had been supplied by the United States; indeed, the weapons with which they maintain themselves in power are still being supplied by the United States. Given the fact that, from 1947 to 1967, the influence of the United States on Greek affairs has been at all times paramount, it is scarcely surprising that the overwhelming majority of Greeks should regard the United States as primarily responsible for the coup which has destroyed their country's freedom.

It is an indictment which, though erroneous in detail, contains a large element of truth. For the coup, though not organized with the support or even the knowledge of the United States, was in considerable part made possible by the fact that American policy in Greece had long since lost sight of the goals described by President Truman in 1947. The defense of liberty and democracy had been replaced by "anti-Communism" at a time when Communism had ceased to represent a significant threat to Greek freedom. And to defend the "anti-Communist" cause, the United States had relied on the Greek armed forces, the palace and the political Right.

In its original intervention in Greece, the United States had taken over not merely the role that Britain had hitherto played, but its policy—the policy of the Labour government of Clement Attlee—as well. This consisted of supplying whatever military and economic aid was necessary to prevent a forcible Communist takeover, while at the same time blocking any attempt by the Right to use the civil war as an excuse for establishing its own dictatorship. Neither goal was easy to achieve, but the second was probably the more difficult. For the Left and Center were sharply divided not only between the Communists and their allies on the one side, and the anti-Communists on the other, but also within the latter group. Thus the election of 1946—held under the auspices of a Left-Center Premier, Themistocles Sophou-

lis—was nevertheless boycotted both by Communists and by important moderate centrists.

The result of this boycott, and of the rightist terror in the countryside to which it was a response, was a parliament in which the Center had little more than token representation and the Left had none at all. Only very strong pressure first from the British, then from the Americans prevented the Right from using its parliamentary majority—and its complete control of the military and security forces—to consolidate its power by establishing a dictatorship. At American insistence, a coalition government was formed with Sophoulis as Premier, it held office until his death in June 1949, when it was followed first by another coalition ministry and then by a non-party government to conduct elections. These elections took place after the final collapse of the Communist guerrillas. They resulted in a sweeping victory for the Center and Left; when the King attempted, even so, to arrange a conservative coalition between the defeated Right and the right wing of the Center, U.S. Ambassador Henry Grady wrote a letter stating in effect that the United States felt that its aid could only be used effectively by a government which reflected the will of the people as shown by the elections. In the face of the "Grady letter" the palace yielded and called on a centrist, General Nicholas Plastiras (who had headed the government which suppressed the Communist revolt of 1944-45) to form a government.

The appointment of Plastiras as Premier in 1950 represented a major triumph for American policy. Greece at last had a government capable of rebuilding the democracy which had been destroyed by General John Metaxas in 1936, and which had remained in abeyance during the civil war. It was not, to be sure, a government with a stable parliamentary majority, and it actually remained in office for only a few months. But it was succeeded by a series of other Center coalitions, some headed by Plastiras and some by Sophocles Venizelos, over the next two years. Despite changes in personnel, these governments preserved a considerable measure of continuity in policy; they began to release the huge number of political prisoners (over fifty thousand at the beginning of 1950) who had been incarcerated in the course of the civil war, and to institute essential economic reforms.

Unfortunately, however, the year 1950 also represented a turning-point in American policy, not in Greece alone but in most parts of the world. For with the Korean War, anti-Communism changed from a policy to an obsession. In the days of the Marshall Plan, the United States had in general sought to build up healthy and progressive economies as a barrier to Communist political penetration; it had regarded political and economic reforms as a necessity, and the democratic Left as their most likely sponsor. But after the beginning of the Korean war, the struggle against Communism was increasingly regarded as a military and police matter, and the Right became its chosen instrument. In Washington, this attitude was exemplified not only by Senator Joseph McCarthy, but by some of his chosen targets. It bore fruit in large-scale material support for the French colonial war in Indochina, and later—though less directly—in Algeria, as well as in American insistence on German rearmament.

Of course, an element of sympathy for the Right as the most reliable bastion against Communism had always been present in American (and British) policy, if only because such attitudes were ingrained in many of the military and even civilian executors of that policy. In Greece, the British military and police missions, and later their American counterparts, had consistently sought to strengthen right-wing control of the army and security forces, even while the respective embassies were trying to hold the Right in check on the political front. And there

were also civilian officials who connived with the Right to frustrate Embassy policy.

While Henry Grady was U.S. Ambassador, however, right-wing members of the American military and civilian bureaucracies in Greece only obstructed U.S. policy; they did not make it. The situation altered completely after John Peurifoy succeeded Grady in 1950. Grady's departure does not appear to have been linked with the change in Washington policy that was taking place at that time, but the choice of Peurifoy as a successor may have reflected a Washington decision to give the Greek Right wholehearted American support. In any case, that policy was adopted under Peurifoy, and was maintained for many years by his successors.

Supporting the Right, as it happens, was not an altogether easy thing to do. For, if not quite as fragmented as its opponents, the Greek Right also included a number of feuding factions. In the armed forces, the British and American missions had backed different groups; after American aid became more important than British, the American-backed faction headed by Field Marshal Alexander Papagos became dominant, but its British-supported rivals still held key posts. In the political field, similarly, there was a sharp split between Papagos and the palace, and there were rightist politicians who supported each.

These divisions were crucial in the failure of an attempted rightist military coup in May 1951. At that time IDEA, an organization of army officers which had received the backing of the U.S. military mission, tried to replace the Center government of Sophocles Venizelos with a dictatorship headed by Papagos. It was widely assumed that IDEA had been encouraged in this attempt by the U.S. Embassy. But the coup was not well-planned, and officers opposed to IDEA and loyal to the King were able to frustrate it. (The failure of the coup was also at least partly due to the fact that Papagos, a much better man than some of his friends, had no desire to head a military dictatorship.) Peurifoy then sought to achieve the same general goal by purely political methods.

With the encouragement of the Embassy, a new rightist party called the Greek Rally was formed, under the nominal leadership of Papagos. Overt and covert American influence was brought to bear on politicians of the Right and Center to throw their support to the new organization. But while it polled more votes than any other single party in the election of 1951, the Greek Rally lost out to an alliance of Center groups headed by Plastiras and Venizelos. Despite Embassy pressure for a Papagos government, this alliance held together. A coalition government headed by Plastiras as Premier and Venizelos as Vice-Premier continued the policy of amnesty and economic reform. Its success in the latter respect was used as the excuse for a sharp cut in American economic aid while its amnesty measures were denounced as a threat to Greek security.

The Embassy, under Peurifoy and his Minister-Counselor Charles Yost, also kept stressing that the government was unstable, because it was a coalition of two parties—as if there were less stability in such a coalition than in a single catch-all party. At the same time, it did its best to demonstrate this instability by destroying the Center majority. Publicly, Peurifoy made it clear that he objected to the amnesty measures and called for new elections under the plurality, rather than the proportional, system. (The change was designed to strengthen the Right, united in the Greek Rally, against the divided Center and Left.) Privately, individual members of the Center parties were called to the Embassy and urged to withdraw their support from the government. (Other U.S. agencies reportedly offered more substantial arguments, where these seemed likely to prove effective.) The government majority, originally large enough, was gradually whittled

away by these methods. It would have disappeared, except that some of the non-Communist supporters of the Communist-dominated United Democratic Left (EDA)¹ had split with it and gone over to the Center parties. But this was used by Peurifoy as an additional ground for attacking the Plastiras-Venizelos government; it was accused of staying in office by virtue of "Communist" support.

Finally, after a year of such sniping, the government was forced to call new elections under the plurality system. The result was a victory for the Greek Rally (with about 49 per cent of the vote, it won four-fifths of the seats in Parliament) and Papagos became Premier. Perhaps the most important effect of this victory was that it consolidated IDEA's hold on the army. Those officers who had been disciplined for their part in the attempted coup of 1951 now received more important posts than they had previously held, while IDEA's enemies were retired. The way was thus paved for more active military intervention in Greek politics.

After the death of Papagos in 1955, the King—most Greeks believed at the instance of the American Embassy—passed over the Rally leaders generally regarded as having the best claim to succeed him, and instead appointed Constantine Karamanlis as Premier. The Rally dissolved as a result, but Karamanlis was able to reorganize most of its supporters as the National Radical Union (ERE). New elections took place; as usual, they were held under a new electoral law which favored the Right. Fearing a repetition of the 1952 victory of a united Right over a divided Center and Left, most of the Center groups entered into a popular-front electoral coalition with EDA. (A few Center leaders, the most notable being George Papandreou, refused on anti-Communist grounds to join this coalition.)

Thus as a direct result of Peurifoy's intervention in Greek politics, the Communists were able for the first time since the civil war to build an alliance with such ultrarespectable figures as Sophocles Venizelos, leader of the Right-Center. The formation of this popular front should not have come as any surprise to anyone who had observed the mood of the Center after the 1952 elections. It came, however, as very much of a surprise to the Embassy. One key Embassy official told me that Sophocles Venizelos was to blame for rehabilitating the Communists in Greece, and that the Center voters would certainly not follow him into any popular front. In reality, Venizelos was simply going along with what he knew the voters would do with or without him; the politicians whom the diplomat predicted they would follow were for the most part men whose influence did not extend outside their own families—and the Embassy, which they frequented.

What would probably have happened in 1955, had the Center parties refused to enter a popular front, did happen in 1958. In that year, with some important individual exceptions, they did indeed refuse to ally themselves with EDA. But Center voters went over to EDA *en masse* in 1958, and it became the country's second largest party, reaching a new peak of strength with just under a fourth of the vote.

The Embassy's error in 1955 was part of a pattern; at no time in the last fifteen years has it really maintained contact with the Left-of-Center part of the Greek electorate, and most of the time it has not even wanted to. This has always applied to EDA, but the same attitude has extended to even the more

¹ The relation between EDA and the Communists is similar to that which existed between Henry Wallace's Progressive party and the American CP. That is, the Communists play a key role, but a major part of the vote and much of the public leadership are non-Communist.

conservative members of the Center—particularly when Ellis Briggs was Ambassador in the years after 1959. Briggs broke relations almost completely with all sections of the Center; when centrist leaders like George Papandreou sought to see him, he told them that they would never amount to anything and should abandon their political activities.

The official American attitude in this period—one which is still reflected both in the State Department and in the editorial comments of many newspapers—was that the Karamanlis government was the best that Greece had ever had. According to this view, an economic miracle had occurred in Greece as the result of policies initiated under the Papagos government and further developed under Karamanlis. The investment of foreign capital, and the repatriation of Greek capital held abroad, had been encouraged by beneficent government policies and favorable laws, and the result had been an economic boom and a sharp rise in the standard of living. On the political side, the old chasm between Venizelists and anti-Venizelists had been bridged, as was evidenced by the presence in ERE of a number of politicians formerly associated with the old Venizelist Liberal party, the parent of most of the Center groups. And above all, the regime was a loyal and dependable ally of the United States, and firmly devoted to NATO.

In one respect, this view did coincide with the facts: there was a boom in the Papagos-Karamanlis years, accompanied by some foreign investment and repatriation of Greek capital. But government policies had little to do with the reduction in unemployment and the improvement in the general economic situation which took place. The boom in Northern Europe, especially in Germany, made it possible to export the unemployed; about one-fifth of all Greek workers found jobs abroad. Their remittances, and the great increase in tourism from Northern Europe and America, fueled a boom of which the Karamanlis government was the beneficiary rather than the creator.

Where government policy did play a role, however, was in the distribution of the boom's benefits. And this was such as to increase the sharp disparities which were already one of the salient characteristics of Greek life. The rich got richer—and more numerous—at a much faster rate than the poor became less poor. The gap between city and countryside widened, as did that between Athens and the provinces. And in consequence, the erasure of old political divisions, which the Americans thought they saw happening, remained a mirage. The devotees of the status quo may have attained a somewhat greater degree of political unity than they had previously possessed; but the dispossessed remained unconverted.

The long period of right-wing rule from 1952 to 1963 was partly a consequence of disunity in the Center, and partly of manipulation of the electoral process through juggling of the electoral law and outright fraud and intimidation. The first of these conditions was eliminated before the elections of 1961, when the various Center factions joined to form the Center Union under the leadership of George Papandreou. The second, however, remained; Karamanlis was victorious in a blatantly fraudulent election.

In the following two years Papandreou conducted a national campaign for new elections, and finally he succeeded.² In these

² The Karamanlis government was seriously undermined when an EDA deputy, Gregory Lambrakis, was murdered by thugs who turned out to be members of a secret rightist organization which was subsidized by Greek security agencies. But the incident which actually caused Karamanlis to resign was the insistence of the royal family on disregarding the government's advice against a politically explosive visit to England. The constitutional

elections, held in November 1963, Papandreu's Center Union party was victorious, but did not win an absolute majority. Papandreu was named Premier, but he did not wish to remain in office with a majority which depended on the support of EDA's deputies, and new elections were held in February 1964. These gave the Center Union an absolute majority of the popular vote, and 174 of the 300 seats in Parliament.

From the beginning, the Papandreu government was beset by rivalries among the various factional leaders who had combined to form the Center Union, and who hoped to succeed the seventy-five-year-old Premier in due course. At first, however, they were kept in line by the great popular enthusiasm which the new government evoked, and which was further stimulated by the reforms it introduced. These included an increase in the minimum wage and other measures designed to redistribute income, a whole series of educational reforms, and a removal of curbs on political freedom—although Papandreu did not go so far as to legalize the Communist party itself. One aspect of this liberalization, if a minor one, was the release of those political prisoners still remaining from the period of the civil war. Most had already been amnestied under Papagos and Karamanlis (without any American objections such as had greeted the less sweeping amnesty measures of Plastiras), and there were only a few hundred still in prison when Papandreu took office. More important than the release of prisoners was the fact that the security forces and the military were no longer allowed to curb political activity. Both those who approved and those who did not were in agreement on one point: Greeks were freer under the Papandreu government than they had been at any previous time.

Nevertheless, some of the measures which the Papandreu government undertook ran into powerful opposition. Its reorganization of the Greek central intelligence agency (KYP), designed to bring it under civilian control by turning its operations and finances over to the supervision of the prime minister's office, met strong American resistance. For the CIA had been subsidizing and working with this agency directly, bypassing Greek government channels, and it had no wish to change the arrangement. And when Papandreu initiated an investigation into the army's role in the fraudulent election of 1961, the military leaders involved struck back by charging that a secret group of republican officers called ASPIDA (the word means "shield") had been formed with the aim of overthrowing the monarchy. They also charged that Andreas Papandreu, the son of the prime minister and himself a cabinet member, had been involved in this conspiracy.

A struggle followed in which the Papandreu government, supported by a majority of Parliament, was on one side; the King and IDEA, allied with the parliamentary opposition and with some dissident members of the Center Union, were on the other. (The death of King Paul in March 1964 and the succession of his son Constantine did not end royal interference in government; Queen Frederika continued to dominate the palace.) The struggle came to a head when Defense Minister Garoufalas, a "King's man" as almost all defense ministers since the civil war had been, refused to obey the Prime Minister's orders on matters of army organization. The latter then asked Garoufalas to resign, and when he refused dismissed him and designated himself as Defense Minister.

The King would not agree to the dismissal of Garoufalas as Defense Minister and Pa-

pandreu's assumption of that office. When Papandreu threatened to resign and take the issue to the people, the King "accepted the resignation" that had not in fact been offered. He then commenced a systematic effort to create a party of "King's friends" from dissident members of the Center Union, asking first one and then another to head a cabinet composed entirely of Center Union dissidents. While Papandreu demanded new elections, these cabinets went before Parliament and were voted down one after another. But gradually they won new support, as individual members were won over by being made ministers. Finally, after some six weeks of this type of maneuvering, a cabinet headed by Stephanos Stephanopoulos succeeded in getting a bare parliamentary majority. This consisted of the solid vote of the rightwing opposition and a small group of former Center deputies, all of whom were either ministers or had relatives in the cabinet. Throughout this conflict the King was supported by the U.S. Embassy and State Department, not to mention the U.S. military mission in Athens and the CIA.

The motives of the defectors varied, but all of them felt frustrated in their ambition by the appearance of Andreas Papandreu as his father's heir apparent. Andreas (who had been a member of an independent anti-Fascist and anti-Stalinist student group during the pre-war dictatorship of John Metaxas) had emigrated to the United States in 1940 for political reasons. While serving in the navy during the war, he had become an American citizen and had subsequently achieved distinction as an economist, teaching at Harvard, Northwestern, Minnesota, and California. Ultimately he had given up his position as head of the Economics Department at Berkeley to return to Greece and establish an economic research institute at the request of Karamanlis. When his father became Premier he entered the cabinet, and it soon became clear that he was not only abler than any of the factional leaders in the Center Union, but also more popular. He was the first leader of the Center since the death of George Kartalis in 1957 to demonstrate a real comprehension of the country's political and economic requirements, and only his own father could compete with him in stirring the Greek masses.

He also, however, had many enemies—his rivals for the leadership of the Center, the entrenched economic groups whose privileges he assailed, the military politicians whose hold on the armed forces he wanted to break, the palace itself—and their number and bitterness grew along with his popularity. The Americans also regarded him as a threat because he questioned the desirability of Greece's continuing as an outpost of the cold war; the Embassy tended to resent this particularly because of a feeling that, having been an American for so many years, he was morally bound to support the United States government in international political questions. (His Greek critics—both those who hated him and some who were friendly but disagreed on tactical questions—charged him with being "too American" and trying to introduce American methods into a Greece that was not ready for them.)

The relationship between the Papandreous and the Embassy was further embittered by the years in which the latter had not bothered to disguise its distaste for the Center; for some Embassy officials, this had become second nature to such an extent that when the formal policy changed as a result of a belated realization that the Center would return to power, the Embassy's tentative efforts at reconciliation were sometimes made with such apparent reluctance and accompanied by such bad manners that they simply made things worse.

The exact role of the United States in the 1965 crisis is, of course, hard to ascertain. But several things are clear. The United States military mission in Athens was very closely

aligned with the right-wing generals, and strongly favored royal control over the army, which it regarded as a guarantee of its reliability; the attempt of the Papandreous to bring the armed forces under civilian control was regarded as "political interference." (In justice to the members of the military mission, it should be pointed out that a large part of the American military establishment takes a similar view of Defense Secretary McNamara's efforts to exercise his constitutional functions here.) Stephanopoulos, a naturally cautious man, had always been very susceptible to American influence and would have been extremely unlikely to undertake the adventure of heading a government without firm parliamentary support if he had not first received assurances that this course would please the Embassy. American diplomats did not bother to disguise their hostility to the Papandreous, and their approval of the King, from journalists and others to whom they spoke. And one of the top officials of the Embassy is very reliably reported to have assured the King that the United States would support him in any steps he might take to undercut the Papandreous short of a military coup.

Throughout 1965 and 1966, popular support for the Papandreous was obviously growing rather than declining. Privately, many of the deserters from the Center conceded that they had little chance of holding their seats in a new election; one of the most prominent feathered his nest with a blatancy which seemed to stem from a realization that his political career was over in any case.

This period also saw a sharp decline in the strength of EDA and presumably in that of the outlawed Communist party which operated through EDA. A decline in the strength of the Left has always taken place in Greece at times when there is a strong Center under vigorous leadership; most of the support of EDA, and even of the Communist party, is the product of simple despair, and therefore disappears whenever there seems to be some hope of progress through democratic channels. Still, the Communists felt it necessary to support the Papandreous against the King, despite Andreas Papandreu's strict instructions to his followers that there were to be no formal united fronts. ("If they want to support us on our program, that's up to them," he said.) For if they had not supported the Papandreous, their losses would have been even greater.

Finally, at the end of 1966, the ERE leadership tired of supplying the bulk of the votes for a government in which it had no share of the spoils, and the Stephanopoulos cabinet fell. This was followed—or perhaps preceded—by an agreement between ERE leader Panayotis Kanellopoulos and George Papandreu for the installation of a "non-political" caretaker cabinet to conduct elections, in accordance with normal Greek practice. That cabinet, headed by a gentleman named Paraskevopoulos, was like most such governments in being heavily weighted with conservatives, many with close ties to the palace. Andreas Papandreu therefore publicly expressed his strong opposition to the agreement, and it appeared for a while as if the Center Union would be split down the middle between father and son.

Some of Andreas's advisers urged him to take the opportunity for a clean break with his father on grounds of principle, and to set up an ideological party which would sacrifice the prospect of immediate office in order to build for the future on a sound intellectual and organizational basis. They held that there were too many essentially conservative elements in the Center Union, as it existed to make it an adequate vehicle for fundamental change, and they believed that a good deal of political education would be necessary to prepare the ground for such change. Meanwhile, they thought, such a split would leave the right wing of the Center Union free to make an accommodation with ERE which

issue involved was similar to that which later caused the split between Papandreu and King Constantine—the refusal of the palace to accept the constitutionally binding advice of its ministers.

would defuse the conflict and avert the danger of a military coup. (At the same time, the American Embassy was trying with predictable non-success to persuade Andreas that the proper course for him would be to swing to the Right in order to capture the support of the Right-Center, since he already had the Left in his pocket.) After some hesitation Andreas finally decided to accept party discipline and join with his father in supporting the Paraskevopoulos government, taking the advice of those who held that any other course would have enabled the Right to consolidate its control of the country.

In April, however the Paraskevopoulos government fell as a result of a dispute over whether the electoral law should contain a provision extending the parliamentary immunity of deputies through the election period. The purpose of such a provision would have been to prevent the arrest of Andreas Papandreou in connection with the ASPIDA case, as the army right-wingers and their civilian friends had been demanding. The prospect of an IDEA coup again came to the fore, but the United States appears to have warned the King against such a move, and advised that elections be held. (The Embassy—with its customary overestimation of the Right-Center—expected the elections to result in sufficient gains for ERE to prevent any party from having a majority. This, the Americans thought, would lead to a coalition between ERE and the more conservative and traditionally-oriented elements of the Center, leaving Andreas Papandreou either isolated or contained. Change could then be restricted to an appropriately glacial pace.)

The King, in response to Embassy pressure, called on ERE leader Kanellopoulos to form a cabinet to hold elections. Papandreou and Kanellopoulos were friends of long standing who had been political allies about as often as they had been political opponents in the past. Perhaps pursuant to a private promise from Kanellopoulos to Papandreou, the new cabinet decided not to authorize the prosecution of Andreas Papandreou during the election period.

The decision outraged the right-wing extremists, in the army and out. IDEA, however, was restrained from a coup by the knowledge that the Americans were against it, and that the palace would not act without American support. (The Embassy seems to have reiterated this opposition to the King in mid-April.) Yet IDEA, whose leadership was by now more or less identical with the top echelon of the army, was not the only secret right-wing organization in the armed forces—if one can call a group secret whose activities were so well-known. Another, much smaller organization called EENA had grown up among junior officers who resented IDEA's monopoly of the fleshpots. (On the Left, ASPIDA seems to have been a similar, but very poorly organized, attempt by democratic junior officers to challenge IDEA's political control of the armed forces.) Most of the officers in EENA had originally been supporters of IDEA, and still nominally were. Indeed its chief organizer, Colonel George Papadopoulos, was the man designated by IDEA to pass on the order for the coup from the leadership to its followers in the army. This fact was the key to EENA's smooth seizure of power; most of those who received orders for the coup from Papadopoulos thought they came from IDEA—and, by implication, from the King.

The actual coup certainly did not originate in either the Embassy or the palace, and came as a complete shock not only to both but to the American military mission and the CIA, both of which were completely committed to IDEA (The military mission, however, seems to have adjusted very quickly to the shock, and to have become a strong advocate of full military assistance for the junta. Apparently one right-wing Greek army

officer seems to them very like another; they may not be so far wrong about that.) But neither the King nor the Americans cared to appeal to the people, or to the uninformed part of the armed forces, to resist; they feared that the result might be a civil war with unpredictable results, and preferred to accept the junta. Yet any public resistance by the King, or an announcement by the United States that it would not recognize the new regime and would suspend shipments of arms, would almost certainly have caused the coup's immediate collapse. EENA had only between two and four hundred members, on its own estimate, out of approximately ten thousand officers in the army; in the navy and air force it had no following at all. Although the King and the Embassy do not seem to have realized it, resistance would have made the King a popular hero and strengthened his position immeasurably. By abandoning his constitutional function of protecting the legal order and becoming the accomplice of the junta, as most Greeks regard him today, the King appears to have made it extremely unlikely that the monarchy will long survive the fall of the present regime.

To be sure, that fall does not at the moment seem imminent. Neither the King nor the Americans could any longer bring the junta down overnight, even if they so desired. Within Greece, there is as yet little effective organized resistance.

The Center Union had a mass following, but no real organization; Andreas Papandreou was trying to create one, but had barely made a beginning. Even the Communists were prepared only for legal electoral activity; their underground organization, though it certainly did exist, was weak and demoralized. Because it is the only underground organization which was in being prior to the coup, it has a substantial advantage, and will undoubtedly increase its strength as the present regime's tenure lengthens. (The Metaxas dictatorship and the Nazi occupation created the conditions for the Communist attempt to seize power after the war). But for the present, the Communists are still a negligible force.

In the armed forces and the police, the junta has strengthened itself greatly by mass purges of officers it could not count on, appointments of thousands of new ones loyal to it, and promotions of large numbers both of its stalwarts and of those who became its loyal adherents when they got the promotions. Similar purges have taken place in the civil service, and all civil servants (as well as teachers in private schools and university students) have been compelled to sign an extravagant pledge of loyalty to the regime. The press has been completely gleichgeschaltet; the only exception is that some frankly Fascist and neo-Nazi publications circulate freely, although the regime would not endorse such views, and at least some of its leading figures certainly do not share them. An attempt was initially made to bar foreign publications critical of the regime as well, but this was soon abandoned when it was found that there was a direct relation between the availability of foreign papers and the willingness of tourists to stay.

Mass arrests and continuing court-martials have undoubtedly intimidated a large part of the population, and a network of informers will make the creation of an effective resistance movement a slow matter. Moreover, such a movement would have to face the danger of American intervention in support of the status quo; some warnings have already gone out from Embassy circles that in case of a guerrilla uprising, the U.S. would give military support to the regime. This might not in fact happen, since one may doubt whether President Johnson would really be eager to have a Vietnam in the

Mediterranean, but the danger cannot be entirely discounted.

Nevertheless the regime seems likely to face some sort of a crisis this winter, as a result of economic difficulties. The junta has already asked for a resumption of American economic aid, discontinued four years ago, but the present climate for foreign aid in Washington is such that this seems improbable. This is fortunate, because any economic aid from the United States to the regime would destroy whatever shreds of reputation this country still retains there after the deplorable role American diplomacy has played since 1950, and especially in the events of the last two years. The United States did not organize or desire the coup that robbed Greece of its freedom, but it helped to nurture the forces that made the coup possible and to undercut those which sought to move the country in a healthier and more democratic direction.

Nevertheless, most Greeks still look to the United States as their best hope for a return of freedom. If the United States is not to disappoint this hope, it must dissociate itself in every possible way from the present regime. Certainly it should cease its military aid to the present regime; the portion presently suspended has been estimated by the Defense Department at only 10 per cent of the total. And it should be made quite clear that in the event of a revolt—which would unquestionably have the support of most of the democratic members of NATO—the United States has no intention of rescuing either junta or monarchy by direct military intervention.

STUDY PROVES GUN OWNERSHIP A MAJOR DETERRENT TO CRIME

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. CASEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. CASEY. Mr. Speaker, I would like to bring to the attention of my colleagues in the House a recent statistical study which should clear away much of the confusion and contradiction which has been so prevalent in the long debate over firearms legislation.

For some time, I have been trying to convey the idea to this body that the best way to check and turn back the rising tide of crime in our Nation might very well be to crack down on the criminal. I have carried this simple logic a step further in weighing the merits of firearms legislation. I think it makes sense to direct this kind of legislation at the hand that wields the weapons, rather than at the weapon itself.

Still there are those who persist in trying to lay the blame for our national crime problem at the foot of our great American heritage of reasonable ownership of firearms. They do so without any basis in fact.

Now at last, we have a comprehensive statistical study which examines this contention. It tests the hypothesis, "There is a causal relationship between the availability of firearms and crime rates." And it totally rejects the idea.

The study concluded:

There is no positive correlation between the extent of firearms ownership and crime

rates. Rather, there is a negative correlation.

In general, as the proportion of the population possessing firearms goes down, crime rates go up—

It stated further:

Fewer people with guns do not mean less crime.

I believe this study carries an important message which should be carefully considered in weighing future proposals on the regulation of firearms.

The study follows:

THE RELATIONSHIP BETWEEN FIREARMS OWNERSHIP AND CRIME RATES: A STATISTICAL ANALYSIS BY ALAN S. KRUG, JANUARY 29, 1968

INTRODUCTION

It is estimated that there are some 200 million firearms in this nation, owned by 40 or 50 million Americans (8). There is at least one firearm in more than half the homes in the U.S. (5), and last year more than 20 million Americans took part in the various shooting sports (7).

Claims that this widespread availability of firearms is a contributing cause to rapidly-rising crime in the nation have been widely circulated by proponents of "anti-gun" legislation.

Yet there is no reliable evidence to support such a contention. To date, not a single scientific study has shown a causal relationship between firearms and crime.

This alleged relationship has even been written into proposed federal legislation. The current version of the Dodd Bill, Amendment 90, contains the following statements as part of its preamble (3):

The Congress hereby finds and declares—

That the ease with which any person can acquire firearms . . . is a significant factor in the prevalence of lawlessness and violent crime in the United States;

That there is a causal relationship between the easy availability of firearms and juvenile and youthful criminal behavior, . . .

This study shows that there is no statistical support for these claims. The statistics even demonstrate the opposite—that crime rates tend to be lower where the percentage of gun ownership is higher. These findings confirm other scientific studies which have concluded that firearms are not a cause of crime, but merely one of many incidental factors (9, 13).¹

FIREARMS OWNERSHIP AND CRIME RATES

If the availability of firearms were indeed a cause of crime, crime rates should rise and fall fairly consistently with rates of firearms ownership. States where a high proportion of the population possesses firearms would be expected to have higher crime rates than states where a lesser proportion of the population owned firearms. This proposition can be examined in the light of basic statistics available to all.

Because the major use of firearms is for hunting, the number of individuals who purchase hunting licenses in each state is a reliable guide to the extent of firearms ownership in those same states. Appendix Table 1 shows the rate of hunting license holders per 100,000 of population and rates of serious crime,² murder, aggravated assault, and robbery for each of the fifty states in 1966. The first can be taken as a reasonable index of firearms ownership, and as such can be used in a statistical analysis³ to determine the correlation, if any, between the extent of firearms ownership and crime rates. It does in fact constitute the best index available at the present time. In this way, it is possible to test the hypothesis "there is a causal relationship between the availability of firearms and crime rates."⁴

¹ See Appendix A.

² Serious crime as defined by the FBI in the Uniform Crime Reports is (1) murder and non-negligent manslaughter; (2) forcible rape; (3) robbery; (4) aggravated assault; (5) burglary; (6) larceny (\$50 and over); and (7) auto theft (11, page 4). Murder and non-negligent manslaughter, aggravated assault and robbery are the three specific crime categories in which firearms are sometimes misused.

³ For a simplified explanation of the "method of least squares," used for finding the "line of best fit" to a scatter diagram of n points, see *Introduction to Probability and Statistics* (1) or *Elementary Statistics* (2). The equation of the line takes the form $Y = a + bX$, where a is the Y intercept and b is the slope of the line.

⁴ According to the New York Times of August 31, 1967, "robbers have had a field day in Belgians' homes" in the Congo since the Belgians' firearms were ordered confiscated by General Mobutu, the Congolese president. On December 28, 1967, the Times reported that the Davidson County grand jury at Nashville, Tennessee had recommended that citizens arm against an outbreak of crime in that area. To protect themselves, the grand jury said, "citizens should have at least one gun in every home." Earlier in

In examining the connection between any two sets of variables, it should be pointed out that the presence of a correlation between the two does not necessarily mean that one causes the other. The relationship may be coincidental; one variable may be a cause, but not the sole cause, of the other; the two variables may be interdependent; or the two variables may be affected by the same cause. Therefore, the negative correlation between firearms ownership and crime rates supports, but does not necessarily prove, the theory that the greater the extent of firearms ownership, the lower the crime rates will be. But it does show that the idea of a causal relationship between the availability of firearms and crime rates is fancy and not fact. The hypothesis must be rejected.

The results of the statistical analysis are explained further in Appendix Table 2.

CONCLUSION

Firearms are readily available in America, with some 200 million guns owned by 40 to 50 million individuals.⁵

This study tested the hypothesis "There is a causal relationship between the availability of firearms and crime rates." The extent of firearms ownership was compared with rates of serious crime, murder, aggravated assault, and robbery in each of the fifty states. The comparison was made by statistical methods and the results were tested for significance.

It was found that there is no positive correlation between the availability of firearms and the rates of serious crime, murder, aggravated assault, and robbery in the fifty states.

These findings appear to refute the claim by the supporters of anti-firearms legislation that the availability of firearms is a major contributing factor to a high level of crime rates. Beyond that they lend strength to the argument that widespread ownership of firearms may actually lessen crime. Opponents of unduly restrictive firearms legislation often contend that criminals are reluctant to attempt to attack or rob persons whom they have reasonable cause to believe might be armed with a firearm.⁶

Specifically, a regression analysis, which will (1) show if there is a relationship between the index of firearms ownership and crime rates and (2) enable any existing relationship to be expressed by means of an equation.

Use of the rate of hunting license holders as an index of firearms ownership is consistent with the 1959 Gallup poll (4) and the 1967 Harris poll (5) on firearms, which proposed to measure the extent of firearms ownership on a regional basis. The Gallup and Harris polls cannot be used for the construction of a state firearms ownership index as the polls are unable to supply data on individual states because their samples are not large enough (10).

Statistically, this graph is a scatter diagram, which is a graphical representation of a set of n pairs of values of X and Y in a coordinate system. In this case, the X values are the index of firearms ownership and the Y values are the serious crime rates.

According to the New York Times of August 31, 1967, "robbers have had a field day in Belgians' homes" in the Congo since the Belgians' firearms were ordered confiscated by General Mobutu, the Congolese president. On December 28, 1967, the Times reported that the Davidson County grand jury at Nashville, Tennessee had recommended that citizens arm against an outbreak of crime in that area. To protect themselves, the grand jury said, "citizens should have at least one gun in every home." Earlier in

the year, the Detroit News reported (July 20, 1967) that Detroit grocery holdups showed a "sharp reduction" since a grocers' organization began conducting gun clinics. The Royal Oak, Michigan, Tribune (July 19, 1967) quoted Highland Park police chief William E. Stephens as crediting "gun-toting merchants" for the fact that no store in that city of 38,000 had been robbed in almost three months. In Orlando, Florida, where police trained more than 2,500 women in the safe handling of firearms in late 1966 after a series of robberies and attacks on women in their own houses, forcible rapes, aggravated assaults and burglaries were reduced in the first nine months of 1967 by 90%, 25%, and 24%, respectively, from the first nine months of 1966 (12). The Orlando program is now being copied in cities and towns around the country, with law-enforcement officials providing firearms training courses for civilians in Ocala, Tampa and New Smyrna Beach, Florida, New Orleans, La., Wayne County, N. C., Allentown, Pa., Morristown, N. J., San Diego, Calif., Huntsville, Ala., Shawnee, Kan., Oklahoma City, Okla., Clinton and Bettendorf, Iowa and suburban Seattle, Wash.

⁵ The intent of those who say that restrictive firearms legislation should be enacted because of the availability of firearms has been questioned in testimony before congressional committee. The Honorable Thomas L. Kimball, executive director of the National Wildlife Federation, told the Senate Subcommittee to Investigate Juvenile Delinquency that (6):

This raises the question . . . as to whether or not the solution then is to make firearms not available because as long as we permit individuals in this country . . . to have guns, and to use them for lawful purposes, they are going to be readily available. And the only way that we are going to remove that availability is to take their guns away from them. And it is expressions such as this which give us considerable concern about the intent of S. 1592 (1965 version of the Dodd bill-ed.).

Now, if the concern is about crime and the use of guns in crime, this is one thing. If it is to make guns unavailable to the American public, this is another. And from the statements that have been made before this committee, it leaves some doubt . . . as to just what this objective is.

relation between the extent of firearms ownership and crime rates. Rather, there is a negative correlation. These findings dictate that the hypothesis as stated above be rejected. In general, as the proportion of the population possessing firearms goes down, crime rates go up. Fewer people with guns do not mean less crime.

The negative correlations between the index of firearms ownership and serious crime, aggravated assault and robbery were statistically significant. This means that firearms ownership by the law-abiding public could be a factor in restricting the number of these criminal acts. However, such a cause and effect relationship is not proven by, but is only consistent with, the results of this study.

These facts should be considered by anyone evaluating proposed firearms legislation.

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The author: Alan S. Krug has been conducting research on the socio-economics of firearms since 1958. Formerly an economist on the staff of The Pennsylvania State University, he is the author of more than 20 published technical and semi-technical papers in the fields of natural resources management, economics, and firearms legislation. He is presently assistant to the director of the National Shooting Sports Foundation, Inc.

APPENDIX A

Perhaps the most detailed study of homicide accomplished to date is that of Professor Marvin E. Wolfgang, Graduate Chairman of the Department of Sociology at the University of Pennsylvania. Dr. Wolfgang's study dealt with the 588 criminal homicides which occurred in the city of Philadelphia, Pennsylvania, between January 1, 1948, and December 31, 1952.

One segment of the work dealt with the weapons used in criminal homicide. The results of this study led Dr. Wolfgang to conclude (13):

"It is probably safe to contend that many homicides occur only because there is sufficient motivation or provocation, and that the type of method used to kill is merely an accident of availability; that a gun is used because it is in the offender's possession at the

time of incitement, but that if it were not present, he would use a knife to stab, or fists to beat his victim to death. . . .

"Several students of homicide have tried to show that the high number of, or easy access to, firearms in this country is causally related to our relatively high homicide rate. Such a conclusion cannot be drawn from the Philadelphia data. Material subsequently reported in the present study regarding the place where homicide occurred, relationship between victim and offender, motives, and other variables, suggest that many situations, events, and personalities that converge in a particular way and that result in homicide do not depend primarily upon the presence or absence of firearms. . . .

"More than the availability of a shooting weapon is involved in homicide. . . . The type of weapon used appears to be, in part, the culmination of assault intentions or events and is only superficially related to causality. . . . It is the contention of this observer that few homicides due to shooting could be avoided merely if a firearm were not immediately present, and that the offender would select some other weapon to achieve the same destructive goal. . . ."

Another very comprehensive study of criminal homicide, which has just been published, deals with the 640 murders which occurred in the State of California in 1960. This study was done in the California Department of Justice, Bureau of Criminal Statistics. The author, Crime Studies Analyst Romeo P. Narlock, reached much the same conclusions as did Dr. Wolfgang in regard to the relationship between the availability of firearms and the commission of criminal homicide (9):

"One of the clear conclusions of this research is that the mere availability of weapons lethal enough to produce a human mortality bear no major relationship to the frequency with which this act is completed. In the home, at work, at play, in almost any environmental setting a multitude of objects exist providing means for inflicting illegal death. Though the true number of times criminal homicide was attempted during 1960 cannot be known, and in spite of improved medical services, it is undoubtedly much more reasonable to conclude that the low yearly incidence of unlawful slayings is largely the product of human inhibitions to kill."

APPENDIX TABLE 1.—INDEX OF FIREARMS OWNERSHIP AND CRIME RATES FOR EACH OF THE 50 STATES, 1966

| State | Index of firearms ownership | | Crime rates ² | | | | State | Index of firearms ownership | | Crime rates ² | | | |
|---------------|--|---------|--------------------------|--------|--------------------|---------|----------------|--|---------|--------------------------|--------|--------------------|---------|
| | Rate of hunting license holders ¹ | State | Serious crime | Murder | Aggravated assault | Robbery | | Rate of hunting license holders ¹ | State | Serious crime | Murder | Aggravated assault | Robbery |
| Alabama | 9,924 | 1,208.9 | 10.9 | 177.7 | 32.0 | | Montana | 22,127 | 1,194.6 | 2.8 | 42.6 | 17.8 | |
| Alaska | 15,719 | 1,866.6 | 12.9 | 82.0 | 36.0 | | Nebraska | 13,680 | 887.4 | 1.8 | 31.3 | 24.9 | |
| Arizona | 8,232 | 2,215.7 | 6.1 | 122.4 | 55.5 | | Nevada | 14,183 | 2,360.2 | 10.6 | 98.5 | 96.9 | |
| Arkansas | 13,224 | 831.4 | 7.1 | 116.6 | 29.4 | | New Hampshire | 12,974 | 680.5 | 1.9 | 21.4 | 10.3 | |
| California | 3,704 | 2,825.7 | 4.6 | 159.1 | 118.0 | | New Jersey | 2,396 | 1,599.7 | 3.5 | 85.4 | 63.7 | |
| Colorado | 14,152 | 1,718.4 | 4.0 | 93.8 | 53.8 | | New Mexico | 9,388 | 1,847.6 | 6.1 | 145.9 | 43.8 | |
| Connecticut | 2,200 | 1,306.1 | 2.0 | 45.8 | 20.9 | | New York | 3,854 | 2,399.6 | 4.8 | 155.2 | 142.5 | |
| Delaware | 5,074 | 1,485.8 | 8.2 | 33.8 | 56.6 | | North Carolina | 8,347 | 1,086.9 | 8.7 | 248.2 | 22.8 | |
| Florida | 5,520 | 2,280.0 | 10.3 | 213.0 | 99.9 | | North Dakota | 11,774 | 560.5 | 1.8 | 23.2 | 6.2 | |
| Georgia | 7,344 | 1,309.0 | 11.3 | 142.6 | 34.9 | | Ohio | 5,802 | 1,170.8 | 4.5 | 67.8 | 70.0 | |
| Hawaii | 961 | 2,077.1 | 2.9 | 53.9 | 21.6 | | Oklahoma | 9,591 | 1,282.9 | 5.5 | 81.2 | 40.6 | |
| Idaho | 26,408 | 959.6 | 3.0 | 46.1 | 7.8 | | Oregon | 17,461 | 1,624.2 | 2.7 | 65.2 | 45.8 | |
| Illinois | 4,282 | 1,729.7 | 6.9 | 156.4 | 184.9 | | Pennsylvania | 8,248 | 964.8 | 3.2 | 63.3 | 49.0 | |
| Indiana | 9,966 | 1,357.6 | 4.0 | 66.0 | 61.2 | | Rhode Island | 1,576 | 1,732.3 | 1.4 | 62.7 | 25.4 | |
| Iowa | 10,284 | 814.0 | 1.6 | 25.0 | 12.8 | | South Carolina | 7,747 | 1,210.4 | 11.6 | 172.0 | 28.7 | |
| Kansas | 8,597 | 1,062.6 | 3.5 | 69.9 | 29.6 | | South Dakota | 20,498 | 775.6 | 1.5 | 62.9 | 10.0 | |
| Kentucky | 7,831 | 1,199.5 | 7.0 | 73.5 | 42.8 | | Tennessee | 9,442 | 1,275.6 | 7.8 | 105.2 | 34.4 | |
| Louisiana | 7,792 | 1,485.1 | 9.9 | 147.9 | 66.8 | | Texas | 5,587 | 1,607.3 | 9.1 | 149.2 | 54.7 | |
| Maine | 19,161 | 659.7 | 2.2 | 33.0 | 5.9 | | Utah | 19,528 | 1,652.3 | 2.0 | 65.2 | 36.5 | |
| Maryland | 4,927 | 2,062.3 | 7.0 | 164.9 | 123.7 | | Vermont | 33,232 | 695.6 | 1.5 | 7.4 | 4.0 | |
| Massachusetts | 2,509 | 1,654.2 | 2.4 | 60.5 | 46.0 | | Virginia | 8,100 | 1,249.2 | 6.5 | 132.9 | 42.9 | |
| Michigan | 11,070 | 2,174.0 | 4.7 | 136.3 | 156.0 | | Washington | 10,550 | 1,579.2 | 2.5 | 72.4 | 36.7 | |
| Minnesota | 11,009 | 1,317.4 | 2.2 | 44.4 | 49.4 | | West Virginia | 12,969 | 591.1 | 4.2 | 61.5 | 19.1 | |
| Mississippi | 12,005 | 587.1 | 9.7 | 119.6 | 13.3 | | Wisconsin | 13,841 | 891.5 | 1.9 | 29.2 | 12.9 | |
| Missouri | 7,899 | 1,680.2 | 5.4 | 118.5 | 105.8 | | Wyoming | 36,991 | 1,080.0 | 4.9 | 45.0 | 21.0 | |

¹ Number of hunting license holders per 100,000 of population.

² Number of offenses per 100,000 of population.

APPENDIX TABLE 2.—SUMMARY OF RESULTS: STATISTICAL ANALYSIS OF THE CORRELATION BETWEEN THE INDEX OF FIREARMS OWNERSHIP AND CRIME RATES, 1966

| Correlation of index of firearms ownership with— | Equation of line of best fit ¹ | Correlation coefficient ² | t-value | Is negative correlation significant? ³ | Level of significance (percent) |
|--|---|--------------------------------------|---------|---|---------------------------------|
| Total serious crime | $Y_e = 1,742.5 - 0.0315X$ | -0.437 | 3.36 | Yes | 1 |
| Murder and nonnegligent manslaughter | $Y_e = 6.35 - 0.0001X$ | -0.117 | .76 | No | 5 |
| Aggravated assault | $Y_e = 126.1 - 0.0031X$ | -0.424 | 3.26 | Yes | 1 |
| Robbery | $Y_e = 73.6 - 0.00229X$ | -0.418 | 3.19 | Yes | 1 |

¹ The equations of the lines of best fit take the form $Y_e = a + bX$, where X is the index of firearms ownership, Y_e is the estimated value of crime rate obtained from the line of best fit for the corresponding value of X , a is the Y intercept, and b is the slope of the line of best fit.

² Correlation coefficients, r , indicate the extent of the linear relationship between each set of variables. Testing of the significance of the correlation coefficients was accomplished by applying a "t-test," where

$$t = \frac{r}{\sqrt{\frac{1-r^2}{n-2}}}$$

n being the size of the sample from which the data were obtained. The term "n-2" constitutes the number of degrees of freedom. The number of degrees of freedom is "the maximum number of variates which can freely be assigned (i.e. calculated or assumed) before the rest of the variates are completely determined: that is, it is the total number of variates minus the number of independent relationships existing among them."

For $n-2$, or 48 degrees of freedom, $t_{0.05} = 2.686$, any value in excess of this being significant at the 1 percent level. This means that if a t-value in excess of 2.686 is calculated, there is no more than a 1-in-100 chance that the correlation is not significant. In such a case, it is a commonly accepted convention in statistics to consider the result highly significant.

³ The correlation coefficients showing the extent of the linear relationship between the index of firearms ownership and (1) total serious crime, (2) aggravated assault, and (3) robbery are remarkably close in value. In all 3 cases, the negative correlation is highly significant, being so at the 1 percent level of significance.

Correlation of the index of firearms ownership with murder and nonnegligent manslaughter is not significant at either the 1-percent or the 5-percent level. In the case where a result is significant at the 5-percent level, there is no more than 1 chance in 20 that the result is in error. Results are ordinarily not considered significant when the probability of error is in excess of 5 percent.

CANAL ZONE AFL-CIO UNIONS SUPPORT PENDING PANAMA CANAL MODERNIZATION LEGISLATION

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Flood] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FLOOD. Mr. Speaker, the inter-oceanic canal problem has been under periodic consideration by the Congress since the end of World War II. Many improvements in the Panama Canal have been made but they have merely treated operational symptoms. They have not dealt with the causes of problems, which must be faced if our policy is to be realistic.

To meet the resulting situation, in the last session of the Congress, my distinguished colleague from Louisiana [Mr. RARICK] and I introduced companion bills, H.R. 14179 and H.R. 13834, to provide for the increase of capacity and the improvement of operations of the existing Panama Canal.

In January of this year the Subcommittee on the Panama Canal of the Committee on Merchant Marine and Fisheries, of which the distinguished Member from Missouri [Mrs. SULLIVAN] is chairman, visited the Canal Zone and conducted hearings. Among those who testified at Balboa was Louis S. Damiani, president of the Canal Zone Central Labor Union and Metal Trades Council, AFL-CIO.

Those labor unions are composed of persons employed in the maintenance, operation, sanitation, and protection of the Panama Canal. Hence, the views expressed by Mr. Damiani undoubtedly reflect the observations and considered conclusions of responsible and experienced canal employees, who cannot be misled by specious propaganda, however plausible.

Mr. Speaker, I would like to summarize

some of the highlights of the indicated AFL-CIO statement.

First. It emphasizes the vital importance of the continued control by the United States of the Panama Canal and the prevention of its exploitation by any nation.

Second. It refutes the fallacious contention of some that the existing canal is obsolete.

Third. It stresses the strategic value of the canal for the security of the United States and the free world.

Fourth. It emphasizes that improvement to the canal must go beyond the treatment of symptoms; such as, "cut widening," "channel deepening," and "improved lighting."

Fifth. It stresses that what is needed is the best possible canal, at least cost, for the longest possible time, that such canal would be provided by the major increase of capacity and existing high level lake-lock canal, and that such modernization would not require the negotiation of a new canal treaty.

Sixth. It supports the canal modernization program contemplated in the proposed legislation previously named.

Seventh. It urges the enactment of the indicated legislation as offering the best solution of the canal problem for the indefinite future; and at least cost and without diplomatic involvement.

In order that the ably expressed views of the AFL-CIO labor unions in the Canal Zone previously cited may be easily available to the Congress and all interests concerned with trans-Isthmian transit. I quote it and the text of the indicated bills as parts of my remarks as follows:

STATEMENT OF THE CANAL ZONE CENTRAL LABOR UNION AND METAL TRADES COUNCIL AFL-CIO, BEFORE THE HOUSE MERCHANT MARINE AND FISHERIES SUBCOMMITTEE ON PANAMA CANAL, HELD AT BALBOA, C.Z., JANUARY 16, 1968

Madam Chairman and members of the committee: my name is Louis S. Damiani, and I am president of the Canal Zone Central Labor Union and Metal Trades Council, and

I have worked and lived in the Canal Zone for the past 25 years.

The organization which I represent is the central body of 30 labor unions, all of which are affiliated with AFL-CIO. The members of these unions are employed by the U.S. Government to operate, maintain and protect the Panama Canal.

On behalf of the U. S. citizen employees and civilian residents of all federal agencies in the canal zone, it is with great pleasure we welcome, once again, to the Canal Zone, the distinguished chairman, the subcommittee chairman and members of the House Merchant Marine & Fisheries Committee.

We appreciate this opportunity of expressing our views on means for developing the maximum capacity of the Panama Canal in terms of both short and long range programs.

We want the record to show it is not our intent or desire to outline foreign policy. The Canal Employee is cognizant that our international objectives fall into two categories; those that affect us in the overall world picture; and those that are regional or inter-American.

Insofar as the first category is concerned, we as Americans will continue to accept, aid and cooperate, as we have in the past, in formulating and maintaining an international policy of peace, friendship and security for our country.

With respect to our inter-American policy with Panama, we endorse and support wholeheartedly policies extending the fullest measure of justice and generosity to the citizens of Panama, consistent with our national interests.

Knowledgeable observers in our Congress have proclaimed that the United States should continue to operate, maintain, control and protect the Panama Canal, because this enterprise is not, nor should it be, a project for exploitation by any nation. We as Americans concur. Implementation of such proclamation will assure the nations of the world that the United States will continue to extend to all, the economic and efficient services of the Panama Canal.

Madam Chairman, along with the members of your committee, you are perhaps the most informed members of Congress with respect to the Panama Canal.

I, therefore, will not belabor the point that the phenomenal and recordbreaking demand for services of the canal, established during the past few years, significantly points up the economic importance of the Panama Canal. And, despite the nuclear and push-button military concept of today, the Panama Canal still has great strategic importance to the security of the United States and to nations of the free world.

We agree with, support, and endorse, along with Members of Congress and Governor Leber, that a program based upon realities for increasing canal capacity, along with operational improvements affording us the best possible operational canal, at the least possible costs, is a vital necessity.

Recently, Governor Leber invited all employee representatives to attend a briefing wherein he outlined the major problems as concerns the capacity and operational functions of the canal today.

While some of the problems outlined were not of recent origin, the presentation by the Governor, which included visual aids, was the most informative and enlightening that I have heard in my 25 years as an employee representative, and my organization so informed the Governor.

Each of us came away from this briefing with a layman's understanding of the administrative and technical problems, and we wholeheartedly endorse the proposed plans of increasing the capacity and operational changes at the least possible cost.

However, unless informed officials anticipate the phasing out of the present canal

within the next 15 years, we would urge that improvements go beyond such specific projects as "cut widening", "channel deepening", "improved lighting", and plans for obtaining a greater water supply and storage.

In effect, we are speaking of long range (50 or more years), rather than short range (15 or 20 years). We speak of expenditures not of 15 or 20 millions of dollars, but an expenditure of \$850 million.

Currently, canal transits exceed 12,000 annually, and our peak capacity is said to be about 14,000 transits. It is our position, that canal improvements, however extensive or limited, should be so geared as to have a balanced ratio; that is, not a 20,000 transit potential, with supporting equipment capable of handling say 18,000 transits, and a maximum lock output of only 15,000. Each of the factors involved must be coordinated to realize an integrated plan for the realization of the projected future traffic.

We do not hold in high esteem those who unjustifiably advocate the present canal is practically obsolete. Several years ago, while attempting to defend the value of the Panama Canal to a government official, who also claimed the canal would reach obsolescence in 15 years (five of which have since passed) and after quoting transit statistics to this official, he agreed that upon the facts presented, our argument had merit, then added, if the size of vessels did not render the canal obsolete, the water problem for lockages would in itself do so.

Madam Chairman, the canal may possibly become obsolete in our time, but only if we permit it. My colleagues and I are certain that American ingenuity, which has successfully set down payloads on the moon, will not find this water, or other problems, insurmountable. Our engineers are capable of designing and recommending a solution which would be economically feasible and efficient in operation.

We are aware our problems are not menial one, but we keep recalling this is the only canal we have. A canal which has proven its worth as an asset to the United States and to world commerce in times of peace and in times of international crisis.

In partial review:

During World War II more than 5,300 capital ships and 9,000 other craft transporting troops and military cargo transited the Panama Canal, with vast savings in terms of time, lives and money. The canal demonstrated its strategic value during the Korean conflict. In 1953, the last year of the Korean conflict, well over 1,000 vessels utilized the Panama Canal carrying supplies and war materials to the United Nations forces in the Far East. The Cuban missile crisis caused another surge in traffic.

Twice in very recent times, due to the situation involving the Suez Canal, the effective operation of the Panama Canal prevented serious disruption of the economies and defense capabilities of many nations of the free world! And due to the Suez crisis, at least two new ships per day are now transiting the Panama Canal.

I believe the Governor could be prevailed upon to render the committee the statistics concerning shipping to and from Viet Nam.

In addition, in peacetime, the Panama Canal plays a very important role in national welfare and defense. The strength of the United States rests, in a large measure, upon the nation's economic well-being, which depends in turn upon the availability, at low costs, of vital raw materials.

The term obsolescence, without considerable qualification, cannot be defended when applied to the Panama Canal, for in recent months the canal absorbed without undue hardship an increase of six percent in transits over a record breaking preceding year. Governor Leber informed us that 24 percent

of the new transits were vessels which measure 80 feet or more in beam!

Madam Chairman, a sound concept which embodies progress and a lasting solution to many canal problems is, in our estimation, incorporated in the bill H.R. 13834, introduced in the House on November 2, 1967.

The bill, to us laymen, appears to be a vehicle which if promulgated would bring about the major modernization of the present waterway, needed to meet requirements for the next 50 or more years. The bill in essence would provide that:

"Under section 2. (a) of H.R. 13834, the Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve operations of the Panama Canal through the adoption of the third locks project set forth in the report of the Governor of the Canal Zone, dated February 24, 1939 [House document #210, 76th Cong.], and authorized to be undertaken by the act of August 11, 1939 [53 Stat. 1409; Public numbered 391, 76th Cong.] with usable lock dimensions of 140 feet by 1200 feet by 45 feet, and including the following: elimination of the Pedro Miguel Locks, and consolidation of all Pacific locks near Miraflores in new lock structures to correspond with locks arrangements at Gatun, raise the summit water level to approximately 92 feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenant structures, works, and facilities, and enlargements or improvements of existing channels, structures, works, and facilities, as may be deemed necessary, at a total cost not to exceed \$850,000,000."

This project, if undertaken, would serve in the best economic interests of the United States, the Republic of Panama, and the world at large, by establishing the best operational canal for the next half-century at the least possible costs. Consideration should be given H.R. 13834 because this project eradicates any complications governed by the test ban treaty, or of any political complications of the host country. These issues can be paramount factors in a new sea level canal here in Panama or elsewhere.

Favorable also to the project outlined in H.R. 13834, is the fact that the project would completely utilize some \$65 million already utilized in recent years, on both the cut widening and third locks projects.

The bill H.R. 13834 carries a price tag of \$850 million, which would require a minimum recovery of \$17 million annually for the next 50 years.

The overall cost is not only justifiable, but warrants serious and immediate consideration, as it will serve world commerce and reserve in large part U.S. interests, well into, and possibly beyond, the next century!

In the J. & J. Denham paper, *Shipping in the Next 100 Years*, published in 1937, and made public by your committee, Madam Chairman, we find such expert analysis:

"Although the shape of the world 100 years hence cannot be forecast, the place of shipping in the future is more readily predictable."

"Future shipping trends are toward a declining role for shipping, not an increasing role."

The report predicts also, that passenger ships like the Queen Mary and bulk carriers of 200,000 tons will be things of the past, that the most popular and common will be the 100,000 ton ship.

If shippers accept these forecasts, future ships of the 100,000 ton category will be constructed to adapt to the size of the modified canal, or designed not to use the canal at all.

The sea level versus modified lock type canal is not a controversial issue amongst employees here, nor do we accept the fallacy that a lock type canal is more susceptible to

a nuclear attack. Our theory being that this nuclear susceptibility has no bearing on the sound concepts of H.R. 13834.

A belligerent nation, instigating a nuclear attack on the United States and/or the Panama canal, gives us much more to be concerned about than the surviving operational percentage or status of the canal after such an attack, be it a lock type or sea level canal. After considerable thought, we feel our position in support of H.R. 13834 is the most desirable solution of canal problems. We concerned ourselves with the basic thought . . . *The best possible canal, at least cost, for the longest period of time possible*.

If the forecasts of the experts materialize, and based upon the sound and visionary thoughts they expounded, we expect that the forecasts, for the most part, will come to pass. Hence, H.R. 13834, with some possible modifications, could solve current and future canal problems, not for 15, 50 or 100 years, but possibly until the day canals are no longer required.

We urge, therefore, your committee give the bill H.R. 13834 serious and immediate consideration.

Whatever plan is eventually adopted, Madam Chairman, we wish to assure you of our unqualified support toward achieving a solution to this vital problem. We say also, the present canal must, out of necessity, continue to operate economically and efficiently for an interim period. During this period, the canal will be operating near or at capacity, and it will require all of the skill and ingenuity that can be mustered to do the job. This committee in particular, is cognizant that U.S. citizens, skilled in their respective trades and professions, will be needed in many of the technical positions to carry on the job as the Members of Congress expect and desire.

To assure the canal administration continuity of skilled personnel, be they U.S. or non U.S. citizens, our Congress must shoulder an additional obligation, assuring adequate and satisfactory services, such as housing, medical and school facilities to canal employees. The deterioration, erosion, and lessening of such services, all of which are as much an appurtenance of the canal, as are the locks themselves, will, if not adequately available, pose a major retention and recruitment problem for the canal administrators.

H.R. 13834

A bill to provide for the increase of capacity and the improvement of operations of the Panama Canal, 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 "Panama Canal Modernization Act of 1968".

SEC. 2. (a) The Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve the operations of the Panama Canal through the adaptation of the Third Locks project set forth in the report of the Governor of the Panama Canal, dated February 24, 1939 (House Document Numbered 210, Seventy-sixth Congress), and authorized to be undertaken by the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), with usable lock dimensions of one hundred and forty feet by one thousand two hundred feet by forty-five feet, and including the following: elimination of the Pedro Miguel locks, and consolidation of all Pacific locks near Miraflores in new lock structures to correspond with locks arrangements at Gatun, raise the summit water level to approximately ninety-two feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenant structures, works, and facilities, and enlargements

or improvements of existing channels, structures, works, and facilities, as may be deemed necessary, at a total cost not to exceed \$850,000,000.

(b) The provisions of the second sentence and the second paragraph of the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), shall apply with respect to the work authorized by subsection (a) of this section. As used in such Act, the terms "Governor of the Panama Canal", "Secretary of War", and "Panama Railroad Company" shall be held and considered to refer to the "Governor of the Canal Zone", "Secretary of the Army", and "Panama Canal Company", respectively, for the purposes of this Act.

Sec. 3. (a) There is hereby established a board, to be known as the "Panama Canal Advisory and Inspection Board" (hereinafter referred to as the "Board").

(b) The Board shall be composed of five members who are citizens of the United States of America. Members of the Board shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(1) one member from private life, experienced and skilled in private business (including engineering);

(2) two members from private life, experienced and skilled in the science of engineering;

(3) one member who is a commissioned officer of the Corps of Engineers, United States Army (retired); and

(4) one member who is commissioned officer of the line, United States Navy (retired).

(c) The President shall designate as Chairman of the Board one of the members experienced and skilled in the science of engineering.

(d) The President shall fill each vacancy on the Board the same manner as the original appointment.

(e) The Board shall cease to exist on that date designated by the President as the date on which its work under this Act is completed.

(f) The Chairman of the Board shall be paid basic pay at the rate provided for level II of the Executive Schedule in section 5313 of title 5, United States Code. The other members of the Board appointed from private life shall be paid basic pay at a per annum rate which is \$500 less than the rate of basic pay of the Chairman. The members of the Board who are retired officers of the United States Army and the United States Navy each shall be paid at a rate of basic pay which, when added to his pay and allowances as a retired officer, will establish his total rate of pay from the United States at a per annum rate which is \$500 less than the rate of basic pay of the Chairman.

(g) The Board shall appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, a Secretary and such other personnel as may be necessary to carry out its functions and activities and shall fix their rates of basic pay in accordance with chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The Secretary and other personnel of the Board shall serve at the pleasure of the Board.

Sec. 4. (a) The Board is authorized and directed to study and review all plans and designs for the Third Locks project referred to in section 2(a) of this Act, to make on-the-site studies and inspections of the Third Locks project, and to obtain current information on all phases of planning and construction with respect to such project. The Governor of the Canal Zone shall furnish and make available to the Board at all times current information with respect to such plans, designs, and construction. No construction work shall be commenced at any stage of the Third Locks project unless the plans and

designs for such work, and all changes and modifications of such plans and designs, have been submitted by the Governor of the Canal Zone, to and have had the prior approval of, the Board. The Board shall report promptly to the Governor of the Canal Zone the results of its studies and reviews of all plans and designs, including changes and modifications thereof, which have been submitted to the Board by the Governor of the Canal Zone, together with its approval or disapproval thereof, or its recommendations for changes or modifications thereof, and its reasons therefor.

(b) The Board shall submit to the President and to the Congress an annual report covering its activities and functions under this Act and the progress of the work on the Third Locks project and may submit, in its discretion, interim reports to the President and to the Congress with respect to these matters.

Sec. 5. For the purpose of conducting all studies, reviews, inquiries, and investigations deemed necessary by the Board in carrying out its functions and activities under this Act, the Board is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Board is given power to designate and authorize any member, or other personnel, of the Board, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Board may deem relevant or material to the performance of the functions and activities of the Board. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

Sec. 6. In carrying out its functions and activities under this Act, the Board is authorized to obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code, at rates not in excess of \$200 per diem.

Sec. 7. Upon request of the Board, the head of any department, agency, or establishment in the executive branch of the Federal Government is authorized to detail, on a reimbursable or nonreimbursable basis, for such period or periods as may be agreed upon by the Board and the head of the department, agency, or establishment concerned, any of the personnel of such department, agency, or establishment to assist the Board in carrying out its functions and activities under this Act.

Sec. 8. The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

Sec. 9. The Administrator of General Services shall provide, on a reimbursable basis, such administrative support services for the Board as the Board may request.

Sec. 10. The Board may make expenditures for travel and subsistence expenses of members and personnel of the Board in accordance with chapter 57 of title 5, United States Code, for rent of quarters at the seat of government and in the Canal Zone, and for such printing and binding as the Board deems necessary to carry out effectively its functions and activities under this Act.

Sec. 11. All expenses of the Board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Board or by such other member or employee of the Board as the Chairman may designate.

Sec. 12. Any provision or provisions of the indicated Act of August 11, 1939 (53 Stat. 1409) or of any other Act inconsistent with, or opposed to, any provision or provisions of

this Act, are hereby repealed and shall be of no effect.

Sec. 13. There are hereby authorized to be appropriated to the Board each fiscal year such sums as may be necessary to carry out its functions and activities under this Act.

TO MEET THE NATION'S POWER NEED

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. OTTINGER. Mr. Speaker, today I and 20 of my colleagues are introducing legislation (H.R. 14971) to authorize the Federal Power Commission to take the necessary steps to prevent a recurrence of the massive, cascading blackouts that have paralyzed various regions of the Nation over recent years. I am pleased to report that the distinguished senior Senator from Massachusetts, EDWARD M. KENNEDY, is sponsoring an identical measure in the other body.

The measure that we are sponsoring represents a major revision of the proposal advanced by the administration last summer. It incorporates most of the very significant improvements proposed by my distinguished colleague from California [Mr. Moss], and adds a number of very badly needed new protections for the consumer. It also assures consideration of important environmental factors, such as clean air and water, and the strengthening of long-range land-use planning.

Under H.R. 14971, the Federal Power Commission would be directed to coordinate utility planning on a regional basis to assure that generating and transmission facilities are adequate to meet present and future demand and to guarantee that there is enough capacity available to each region to offset possible catastrophic losses. The FPC authority presently extends only to interstate transmission lines and to hydroelectric facilities built on navigable waterways.

Events of the past few years clearly demonstrate the need to extend that authority as provided in my bill.

BLACKOUTS THREATEN PUBLIC

On November 9, 1965, one little relay in Ontario failed and sent power systems throughout the entire northeastern United States tumbling like a house of cards. This is what utility experts had said was impossible and, in fact, it does seem incredible that a modern system would be so poorly designed that the failure of one unit the size of a toaster could throw 30,000 square miles into darkness and deprive 30 million people of power. The event revealed that the resources and interconnections available in the most highly developed and heavily populated region of the Nation were frighteningly weak and inadequate—the result of poor coordination and bad planning.

Blackouts are more than an incon-

venience. They are dangerous and costly. During the 1965 blackout, 600,000 people were stranded in the New York subways alone. Seven hours after the blackout, over 10,000 were still stranded in dark, stalled trains in stifling tunnels. What would have happened in the event of fire or panic? Only chance and the remarkable resilience of the New Yorkers prevented disaster and loss of life.

In the air, confusion reigned. Two hundred and fifty flights had to be diverted from New York City airports and a major tragedy was averted only because the night was unusually clear and the moon full and bright.

On the ground, hospitals were without power. In hundreds of apartment houses and businesses, people were without water or cooking facilities and many waited in darkness in stalled elevators. Traffic systems failed at the rush hour and refrigeration systems and other essential services that depend on power were useless. Some of the parts of the system were so badly designed that it took up to 13 hours to restore service. The cost was incalculable. Business losses alone ran into the hundreds of million.

U.S. POWER SYSTEM WEAK

The Nation suddenly came to realize the extent to which it had come to rely upon its electric power system—and the system had failed.

Once this weakness was revealed, of course, there were protestations and promises, but the sad fact is that in the past 2 years nowhere near enough has been done.

In 1967, well over a year after the massive failure, there were 98 large system failures, nine of which could be categorized as major. One failure in Pennsylvania in June spread throughout 15,000 square miles and paralyzed four Middle Atlantic States right at the height of the evening rush and dinner hour. Over 13 million people were affected.

And what do the experts say? They say that only the fact that last summer was relatively cool prevented a massive catastrophic failure.

This is not a problem peculiar to the Northeast. Almost every region of the Nation was struck during the year and all stand in serious danger next year.

Clearly, only by giving the FPC the kind of coordinating authority that this bill provides can we finally come to grips with the problem.

CONSUMER PROTECTIONS

However, as we act to strengthen the electric power system in this Nation, we must also provide new protections for the public interest. The utility system that we have today is not competitive. Only one system serves each market and the consumer has no alternative but to use it. Senator METCALF in his book "Overcharge" revealed widespread abuses by utilities in contributions, publicity, and advertising expenditures including, of course, overt and veiled political maneuvering. In New York State we have recently had a case of a major utility that has invested nearly \$16 million in a project for which it has not received FPC approval. This does not include hundreds

of thousands of dollars spent on advertising and public relations to sell the project to the public and to the FPC or thousands spent in payments to local officials and witnesses.

As franchised monopolies, utilities have a special obligation in the expenditure of what are, in essence, public funds.

REPORTING REQUIRED

H.R. 14971 requires utilities to file certified annual reports of such expenditures and mail summaries to the customers. This will entail no significant new expense since utilities already mail numerous stuffers in their bills.

In addition, when a utility has a project pending FPC approval, it must file semiannual reports of project-related expenditures and mail summaries to its customers. This public disclosure will act as a salutary restraint and protection for the public, the utilities and the FPC.

NEW CONDEMNATION PROTECTION

The Federal Power Act gives utilities considerable latitude in exercising the right of eminent domain and the helplessness of the average citizen faced with a taking of his property is already a source of real concern. The expanded authority of the FPC necessarily extends this power so much that new protection are clearly required. My bill provides a needed check by requiring that the burden of proof in such proceedings be on the utility to establish that the taking is necessary to protect the public interest, and that no reasonable alternatives exist. It also introduces a new and, I believe, important concept that the court shall consider environmental, conservation and land-use factors as well as the traditional factors of cost-benefit and service improvements.

ANTITRUST CHECK

Giving the Federal Power Commission such authority to oversee planning and coordination poses a problem. Utilities may find themselves directed by the Commission to do something that the Justice Department may later challenge as a violation of the antitrust laws. The administration has proposed to let the FPC grant utilities immunity from antitrust action when they act upon approved plans.

The FPC is not the proper body to finally resolve the complex antitrust questions, especially since it will be acting on plans proposed by the utilities themselves. My bill proposes to permit granting of immunity, but only with the Justice Department as a full party at interest. This guarantees a full review of the issues.

ENVIRONMENTAL SAFEGUARDS

Utilities have a major impact on our environment. The coal and oil they burn contributes substantially to air pollution. In New York until very recently, 60 percent of the measurable pollution was produced by one utility, Con Edison.

The warm waters that utilities discharge into the Nation's streams have a devastating impact on river ecology often producing extensive fish kills and leading to new forms of pollution.

Generating facilities, power towers and lines, and switching stations have considerable impact upon natural resources,

including scenic, historic, and recreation resources.

Under the Federal Power Act the Federal Power Commission has wide authority to make decisions that can have significant impact on our environment. However, it provides practically no direction for arriving at those decisions. The new authority that is needed to prevent blackouts requires substantial expansion of that authority and my bill proposes to set a new standard to guide all FPC deliberations.

This standard would require that decisions be consistent with the protection and enhancement of the environment, sound conservation policy, and long-range land-use planning.

The measure would also establish a National Council on the Environment appointed by the President to pass on all FPC actions. The Council would effectively protect these important interests with a minimum of interference in ordinary conduct of FPC business.

NUCLEAR POWER COVERED

It is hard to see how the FPC's efforts to coordinate utility planning and assure enhanced reliability can be successful unless the increasingly important nuclear installations are included in its consideration.

Also, under current law there is no way to control the adverse effects these nuclear plants may have on the environment. AEC approval relates only to the safety of the nuclear components. In the Connecticut River, the Hudson River, and bays in Maryland and California, thermal pollution from nuclear plants has been responsible for massive fishkills and serious damage to marine ecology. This could easily be prevented by the exercise of the sort of conservation responsibility that the FPC exercises in licensing hydroelectric plants—especially with the proposed new environmental protections—but the AEC does not have that power and has plainly stated that it does not want it.

H.R. 14971 will bring nuclear generating facilities—and other large thermal installations—under FPC jurisdiction. The AEC would continue to exercise responsibility for passing on nuclear safety but the FPC would have to pass desirability, economy, and environmental impact.

POWERLINES CONTROLLED

Today, more than 300,000 miles of overhead transmission lines cut across this Nation. The power corridors their lines require eat up an estimated 7 million acres and have a detrimental effect on many millions more.

Expert evaluation has shown that such lines can adversely effect up to 300 acres for each mile of line.

Obviously, strengthening our power system is going to require expansion of transmission facilities. Projections last year indicated that by 1980, powerline corridors will consume over 20 million acres—nearly three times as much land as is presently preserved in our national park system.

A utility expert testified before the Senate Commerce Committee in the 89th Congress that utility studies showed that people actually like to live near

high-tension powerlines and towers. In spite of this amazing discovery, most rational people recognize that powerlines and towers do not really improve the scenery or the natural environment. In order to prevent the proliferation of new lines that may duplicate or parallel existing rights-of-way, my bill authorizes the FPC to permit an applicant to use the excess capacity of any transmission facilities, after a demonstration of the need for such use. Further, the FPC would be authorized to grant permission to an applicant to enlarge, at its own expense, existing transmission lines. Public hearings and consistency with approved plans are required as preconditions to granting this authority.

Where a transmission line corridor already exists, its intensive use should be

encouraged, consistent with the demands of safety and equitable compensation.

POWERLINE STUDY

The bill would also require the FPC to make a study of the economic impact of overhead high-tension lines and towers. It is very important that we have some objective measurement to evaluate the true cost of these lines to communities and to the Nation so that we can determine realistically when underground alternatives might be more economical. Now when the cost is compared, we only get utility installation costs. Lost tax revenue, devalued real estate, and such public costs are not considered.

Mr. Speaker. We cannot afford a repetition of the massive failure of 1965. We cannot count on cool summers to protect

our power supply and we cannot wait any longer to act.

Power failures jeopardize the health and welfare of the American people and affect national security.

I urge that we move now to set up the mechanism that is needed to assure the people of this Nation an abundant and reliable supply of the power upon which they rely so very heavily.

In order to assist my colleagues in evaluating this legislation, I am submitting for the Record a comparative analysis of the three main proposals that have been made. H.R. 10727 is the administration proposal. H.R. 12322 is the excellent revision proposed by the gentleman from California [Mr. Moss], which is largely incorporated in my proposal, H.R. 14971.

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS

H.R. 10727

Sec. 1. Electric Reliability Act of 1967.

Sec. 2. States the purpose of the Act as to promote the policy expressed in present section 202(a) of the Federal Power Act of "assuring an abundant supply of electric energy with the greatest possible economy and with regard to the proper utilization and conservation of natural resources"; enacts new Part IV to Federal Power Act.

Sec. 2(b) Not in FPC bill.

H.R. 12322

No change.

Revises section by eliminating a redundant reference to section 202(a) of the Federal Power Act (which is repeated in Sec. 401), by referring to the constitutional authority for the act, and by rephrasing its purpose in general terms; omits phrase adding new Part IV.

Not in H.R. 12322.

H.R. 14971

No change.

Becomes subsection (a); Revises language to clarify purposes; adds new subsection (b).

Sec. 3. Not in FPC bill.

Title: PART IV—REGIONAL COORDINATION, APPLICATION AND OBJECTIVES OF PART; DEFINITION.

401(a). Would make provisions of Part IV applicable to all bulk power systems in the United States.

401(b). Spells out the objectives of Part IV: the National Policy expressed by section 202(a) of Federal Power Act: by enhancing the reliability of bulk power supply; by strengthening existing mechanisms for coordination in the electric utility industry and establishing new ones; by encouraging comprehensive development of power resources of each area and region of the United States so as to take advantage of advancing technology with due regard for conservation of land, scenic values, and other limited resources; by providing that all utility systems and their customers have access to the benefits of coordination and advancing technology on fair and reasonable terms; by assuring as far as feasible that extra-high-voltage facilities including sufficient capacity to meet area, regional and interregional needs for transmission capacity, including the reserve capacity needed for reliability; by respecting the territorial integrity of utility service areas to the extent consistent with public interest; and by drawing on the cooperation of all segments (public, private and cooperative) of the electric utility industry.

401(c). Defines "person" for purposes of Part IV (differing from elsewhere in the Federal Power Act) to include not only a "person", "municipality" or "State", but any department, agency, or instrumentality of the United States and covers all "persons", whether privately, cooperatively, Federally or otherwise publicly owned.

401(d). Defines "bulk power supply facilities" as facilities for generation or transmission which furnish power to points of distribution. It further provides that under section 413 the Commission would be empowered to classify or exempt facilities not material to attaining the objectives of Part IV.

Adds new Part IV to Federal Power Act.

No change.

No change.

No change.

No change.

No change.

Changes phrase "which furnish power to points of distribution" to read "of electric power and energy." to assure that the FPC's jurisdiction over all generation and transmission facilities will not be restricted solely to those that furnish power for distribution, but will also include, for example, auxiliary

Adds new finding of Congress that actions taken under this Act be consistent with enhancement and preservation of environment, conservation of natural resources, including scenic, historic and recreation assets, and strengthening of long-range land-use planning.

Same as H.R. 12322.

No change.

No change.

Adds language requiring due regard for the preservation and enhancement of the environment, conservation of natural resources, including scenic historic and recreation assets, and the strengthening of long-range land-use planning.

No change.

Same as H.R. 12322.

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COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

H.R. 12322

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401(e). Defines "extra-high-voltage facilities", as meaning transmission lines and associated facilities designed to be capable of operation at a nominal voltage higher than 200 kilovolts between phase conductors for alternating current, or between poles in the case of direct current, the construction of which is commenced two years or more after enactment of Part IV.

Title: RELATION TO OTHER PARTS

402(a). States that Part IV supplements Parts I, II and III to promote the reliability, efficiency, and economy of bulk power supply, and provides that nothing in Part IV would modify or abridge authority granted under Parts I, II and III, unless specifically so provided.

402(b). Makes the administrative, procedural and enforcement provisions of other Parts including provisions for filing reports, complaints by State agencies and others, investigations, hearings, rules and regulations, staff appointments, publications, judicial review, enforcement and penalties, applicable to Part IV.

Title: COOPERATION OF BULK POWER SUPPLY SYSTEMS

403. Sets policy that the purposes of Part IV should be attained as far as possible by cooperation among all persons engaged in bulk power supply, regardless of their nature.

Title: REGIONAL POWER COORDINATION ORGANIZATIONS; ANTI-TRUST IMMUNITY

404(a) Provides that, after consultation with persons engaged or interested in bulk power supply, appropriate Federal agencies and State commissions, the Commission would set up regional organizations and procedures for regional and interregional coordination. Provides for membership (either direct or indirect) by electric system in the region regardless of ownership. The Commission staff would participate in all aspects of the regional councils' work except the ultimate adoption of plans or any other council actions.

404(b) Provides that each regional council would file an organizational statement with the Commission, together with any amendments later adopted. These statements would be available for public inspection. Within 30 days after adoption by the council, any plan of coordination, either regional or interregional, developed by the council, would be submitted to the Commission under such rules as the Commission prescribed. The Commission would make these plans available for public inspection, and would consider them in exercising its responsibilities under all Parts.

404(c). Allows the Commission, after notice and opportunity for hearing to determine by order whether any statement of organization filed under section 404 is consistent with the objectives of Part IV (as set out in section 401(b)). If a statement were determined to be inconsistent with those objectives, the Commission could modify it or set it aside. Under this section and the next, the bill would give the Commission discretion to initiate review or not. If the Commission, having approved a statement, also found that its effect on competition would be insubstantial or would be clearly outweighed by other public interest considerations, actions pursuant to the statement would be immune from private antitrust suits.

404(d). Allows the Commission, after notice and opportunity for hearing, to determine whether a coordination plan was consistent with the objectives of Part IV. If the Commission found that the plan was not in the public interest it could modify it or set

generating equipment which provide energy for fueling larger generators.

Inserts the "extension, or modification," after "construction" so that the bill will apply to the extensions or modifications of existing transmission lines and associated facilities as well as the construction of such facilities which are wholly new. This will foreclose a possible "grandfather clause" interpretation that could exempt from this bill any changes in existing facilities.

No Change.
No Change.

No Change.

No Change.
No Change.

Deletes ANTI-TRUST IMMUNITY

Deletes "direct or indirect" after the word "membership," because it is unclear what is meant by "indirect membership"; adds "or of its facilities" after "ownership," to make it clear that each electric system may be a member of a regional council irrespective of the nature of its ownership or of the type of its facilities; provides that State regulatory commission representatives may participate in the work of the regional councils to permit greater local representation.

Adds requirement for prompt publication in the Federal Register of notice that the statements of organization of regional councils, and amendments thereto and the regional and interregional plans, and amendments thereto, have been filed.

Deletes the provisions which would confer immunity from private anti-trust suits under sec. 4 of the Clayton Act (15 U.S.C. 15) instituted by any person who has been injured in his business or property by any action taken pursuant to a statement or plan approved by the Commission.

Deletes anti-trust immunity; deletes phrase "not in the public interest" and substitutes "not consistent with the objectives of this part."

Same as H.R. 12322, but lowers voltage to 130 KV adds "thermal generating units or plants and associated facilities designed to be or capable of being operated at a capacity of 200 megawatts" included within the definition of "extra-high-voltage facilities".

No Change.

Adds that Part IV supplements other parts to assure that actions taken pursuant to the Federal Power Act shall be consistent with preservation and enhancement of environment. The conservation of natural resources, including scenic, historic and recreation assets and the strengthening of long-range, land-use planning.

No Change.

No Change.
No Change.

Same as FPC bill.

Same as H.R. 12322, but adds requirement that State and local officials and local, regional and State land-use planning agencies be consulted regarding the establishment of regional councils.

Same as H.R. 12322, but adds language to make it clear that "coordination plans" developed under this section shall not be considered as "comprehensive plans" for the purposes of Section 12a of Title I.

Same as H.R. 12322, but restores anti-trust immunity and provides that Justice Department shall become a party with full rights of participation and appeal upon filing notice of intervention.

Same as H.R. 12322 but, restores anti-trust immunity and provides that Justice Department shall become a party with full rights of participation and appeal upon filing notice of intervention.

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it aside. On a finding by the Commission that a plan it had approved would have an insubstantial effect on competition, or an effect clearly outweighed by other public interest considerations, actions pursuant to the plan would not be subject to private antitrust suits as long as the Commission's approval remained in effect.

404(e). Directs the Commission to require annual reports from each regional council, and such additional reports as it deems necessary or appropriate to carry out the objectives of Part IV. Requires the Commission to report to Congress annually on the effectiveness of the regional action and inter-regional coordination.

404(f). Provides that, if it found after notice and opportunity for hearing that any person engaged in generation or transmission of electric energy unreasonably refused to participate either in the creation of a regional council or in effective regional or interregional coordination, it could order such participation to the extent it found necessary to carry out the objectives of Part IV.

404(g). Not in FPC bill.

Title: New Title not in FPC bill.

405(a). Not in FPC bill.

405(b). Not in FPC bill.

405(c). Not in FPC bill.

405(d). Not in FPC bill.

Title: NATIONAL ELECTRIC STUDIES COMMITTEE.

406. (405 in FPC bill) Gives the Commission authority, after consulting with the regional councils, to establish a national committee representative of all elements of the electric industry to facilitate interregional exchange of views and experience, consolidate the industry's efforts to investigate major present and future problems in the planning and operation of bulk power supply facilities and would seek to stimulate interest among scientists and engineers in the chal-

No Change.

Adds authority for the FPC to require persons engaged in electric generation or transmission to pay their reasonable shares of the expenses of the regional council as well as to participate in the creation and work of the council.

Same as H.R. 12322.

New subsection authorizes the regional council and the Commission to amend statements and plans from time to time subject to the authority of the Commission to modify or set aside any proposed regional amendment if the Commission determines, after notice and opportunity for hearing, that it is not consistent with the objective of Part IV.

New Title, not in H.R. 12322.

No change.

(405 in H.R. 12322) Inserts the word "electric" before the first reference to "industry" to avoid misconstruction.

Same as H.R. 12322, but specifies that such determinations shall be subjected to all requirements for filing notice and hearings.

NATIONAL COUNCIL ON THE ENVIRONMENT

Establishes a National Council on the Environment consisting of three members to review plans and statements as well as applications for a license under Part I of the Federal Power Act and each proposal under section 410 of this Act, to determine whether they are consistent with the preservation and enhancement of the environment, conservation of natural resources, including scenic, historic and recreation assets, and with the strengthening of long-range land-use planning; requires Council to report and Commission to defer action for ninety days pending report.

Provides that an objection by the National Council shall have the same force as a suspense order issued by the Commission under section 410; provides that the National Council may be a full party at interest to any proceeding in which it has filed a report or objections any may seek rehearing or judicial review of any Commission order in such proceedings.

Provides that the President shall appoint the National Council members with advice and consent of the Senate, from persons having special expertise in conservation, environmental sciences or land-use planning; provides that members shall serve three-year terms, shall not serve more than two terms, must not have worked for Federal government, except as temporary consultant, within the preceding five years, and must never have worked for person engaged in the generation, transmission or distribution of electric power.

Provides for salaries, facilities staffing, etc., for National Council.

No change.

Same as H.R. 12322, but requires consultation with "representatives of consumer interests, conservation organizations and land-use planning experts" and adds "and protecting and enhancing the general environment of the United States" at the end of the section to assure that Committee does not concentrate solely on engineering issues, but considers impact on environment as well.

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lenges of achieving reliable and efficient bulk power supply.

Title: ADVISORY BOARDS.

407. (406 in FPC bill) Allows the Commission to establish one or more advisory coordination review boards and to provide for appointment thereto of experts from the electric utility industry, the equipment manufacturers, and the academic and research communities, and of other persons (not Commission employees) drawn from the general public. These boards would assist the Commission in considering matters coming before it under Part IV.

Title: COORDINATION AGREEMENTS

408. (407 in FPC bill) Requires, subject to such rules as the Commission might prescribe, that all written agreements, and statements of all oral agreements, for coordinated planning or operation of bulk power supply facilities be lodged with the Commission. This would include, but not be limited to, agreements for joint ownership of such facilities.

Title: RELIABILITY STANDARDS

409. (Section 408 in FPC bill) Provides that, on the recommendation of a regional council or on its own motion, and after consultation with the regional councils, and after public notice and opportunity to comment, the Commission could issue rules setting forth reasonable criteria to enhance reliable planning and operation of bulk power supply facilities in accordance with the objectives of Part IV. Such rules might apply to a particular region or regions, or be of nationwide scope. As specified in section 402(b), the existing provisions of Part III of the Federal Power Act would be available to enforce compliance with such rules.

(409(f)) Permits the Commission, when it determined that emergency conditions so required, to exempt persons from any requirements of section 409 (409(g) in H.R. 12322); on its own motion or on complaint, with or without notice, hearing or report, and on such conditions as it deemed necessary or appropriate. An emergency, for purposes of this subsection, would exist by reason of a sudden increase in demand for power or energy, a shortage thereof, a shortage of facilities or materials for generation or transmission of power or energy, including a shortage of fuel or water for generation, or other causes.

Title: EXTRA-HIGH-VOLTAGE FACILITIES; NOTICE OF PROPOSED CONSTRUCTION; SUSPENSION; EMINENT DOMAIN; RIGHTS-OF-WAY ON FEDERAL LAND.

410(a). (409(a) in FPC bill) Requires any person proposing the construction of EHV facilities (see 401(e)) to file with the Commission, two years before it proposed to start construction, or at such other time as the Commission directed. The proposal would include such information, including information as to the routing of the proposed line, as the Commission required to determine whether the construction and operation proposed was consistent with a plan developed by a regional council and with the objectives of Part IV. The filing would also state whether the proponent elected to seek rights-of-way under section 409(e), which provide for Federal eminent domain and for the securing of rights-of-way over Federal lands. Notice of a filing and of subsequent changes would appear in the Federal Register and be served on appropriate regional councils, Federal State and local agencies, and any other interested persons, as the Commission required. Any interested person would have 60 days in which to comment on the filing.

410(b). (409(b) in FPC bill) Prohibits the construction of any extra-high-voltage facility within six months after acceptance of a filing under subsection (a), and for such additional period during which a Commiss-

No change.

(406 in H.R. 12322) Adds explicit language at the end of the section to insure that the Commission, in making appointments to its advisory coordination review boards, will also include persons interested in conservation and aesthetics.

No change.

Same as H.R. 12322 but, adds "long-range land-use planning" to "conservation and aesthetics" as interests to be represented.

No Change.

(407 in H.R. 12322) Adds a provision to insure that all coordination agreements filed with the Commission shall be available for public inspection.

No Change.

Same as H.R. 12322, but adds requirement that all agreements be available for public inspection within the region as well as with Commission Staff in Washington.

No Change.

(408 in H.R. 12322) Changes the word "may" to "shall" and thus makes issuance of regulations reliability criteria mandatory; substitutes the word "govern" for the word "enhance".

No Change.

Same as H.R. 12322, but, adds "National Council" to list of agencies that must be consulted.

Same as subsection (f) of FPC bill except that H.R. 12322 adds a clause precluding the granting of exemptions from the act as to any matter covered under subsection 409(e) (410(e) in Ottinger bill).

Deleted in H.R. 14971 as unnecessary if Commission and industry fulfill responsibility under this bill.

No Change.

No Change.

(409(a) in H.R. 12322) Adds the words "extension, or modification" after "construction" wherever the latter word appears (See comment under section 401(e) above); deletes the requirement for two years advance filing of proposals, since it is inconsistent with subsection (b), which authorizes commencement of construction after six months; specifies that a map should be included with the information accompanying a proposal for an EHV transmission line; rewards the sentence about publication in the Federal Register and service of notice of filing of proposals, to clarify that it is the Commission's responsibility to cause publication and service to be promptly made; allows the public ninety, rather than sixty, days to comment upon proposals to construct, extend, or modify extra-high-voltage facilities.

Same as H.R. 12322 but adds "National Council" and "parties whose interests may be affected" to list which Commissions must serve with notice.

(409(b) in H.R. 12322) Adds the words "extension or modification" after construction (see 401(e) above). Provides that the six-month waiting period before commencement of construction, etc., of extra-high-voltage

Same as H.R. 12322, but requires notice to National Council.

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sion suspense order is in effect. The Commission would issue a suspense order whenever the proponent elected to seek rights-of-way under subsection (e), or when the Commission concluded, in its discretion, within six months after the filing, that the proposal was inconsistent with an approved plan developed by a regional council or appeared otherwise not to be consistent with the objectives of this part. The order would summarize the Commission's reasons for the finding and would be effective for an initial period, fixed in the Commission's discretion but not more than 12 months. The effectiveness of a suspense order that has not yet expired by its own terms could be extended by an order of the Commission recommending specific modifications in the project and setting forth conditions for its approval, or scheduling the matter for formal hearings, or both. In such a case, the proposal would remain suspended until ultimate disposition of the matter by the Commission. The Commission could, however, after public notice and consideration of such comments as were received within 30 days, terminate the suspense order on a finding that the proposal would be consistent with the objectives of Part IV.

410(c). (409(c) in FPC bill) Direct the Commission to use informal procedures, including joint or separate conferences, to the fullest extent feasible in dealing with extra-high-voltage facilities applications under section 409. Notice and opportunity for hearing, however, would be required before the Commission could finally disapprove a proposal or confer rights-of-way.

410(d). (409(d) in FPC bill) Would permit the Commission, at or before the period of suspension designated by the suspense order, to issue an order recommending specific modifications to the proposal and setting forth conditions for its approval, or to issue an order setting the matter for hearing. (Under the terms of section 409(b), this order would extend the effectiveness of the suspension.) If the modifications and conditions were accepted by the proponent, the Commission would be required to approve the proposal as modified and terminate the suspense order forthwith. If the modifications and conditions were not accepted, or if the Commission itself set the matter for hearing, the suspense order would remain effective until the Commission formally determined whether the proposal was consistent with the objectives of Part IV and issued a final order permitting or prohibiting the construction of the proposed facilities.

410(e). (409(e) in FPC bill). Provides that, if the Commission at any time determines after notice and opportunity for hearing, that a proposal would be consistent with the objectives of Part IV, the proponent could secure necessary rights-of-way over Federal and other lands as provided in paragraphs (i) and (ii).

410(e)(i). (409(e)(i) in FPC bill). Sets forth procedures for obtaining rights-of-way over land except those owned by the United States by an eminent domain proceeding in the Federal district court of the district in which the land was located. The condemnor would be permitted to use the declaration of taking procedure provided by 40 U.S.C. 258a, 258b, and 258d. Alternatively, eminent domain proceedings could be brought in the state courts.

410(e)(ii). Provides that where a right-of-way over Federal lands was required, the finding that the proposal was consistent with the objectives of Part IV would automatically allow the proponent to have such right-of-way, subject to the applicable requirements of Part IV and such reasonable land-use conditions relating to non-power matters as the Federal department or agency responsible

facilities, will begin to run from the date of publication of the notice of filing in the Federal Register rather than from the much less readily ascertainable date of "acceptance of filing." Adds the phrase "a plan approved pursuant to section."

(409(c) in H.R. 12322) No Change.

Rephrased to assure that "timely" notice of hearing will be served on "all interested parties", and that the opportunity for the hearing will be provided in "the region affected".

(409(d) in H.R. 12322) Adds the words "extension and modification" after construction (Sec. 401(e) above).

Same as H.R. 12322, but adds provision that Commission may issue final order only after notice published in the Federal Register and opportunity for public hearing, provides that if any interested party objects, suspense order remains in effect until final determination following a hearing in the region affected.

409(e) in H.R. 12322. Adds words "extension or modification" after "construction" wherever it appears.

Same as H.R. 12322, but adds language to assure that project will be consistent with "protection and enhancement of environmental factors, conservation of resources including enhancement of scenic, historic and recreation assets and strengthening long-range land-use planning.

(409(e)(i) in H.R. 12322) No change.

(410(f)(i) in H.R. 14971).

Substitutes new subparagraphs (ii)–(v) for subparagraph (ii) to provide more adequate protection to public and Indian interests.

(410(f)(ii) in H.R. 14971).

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for the lands affected prescribed. The Commission would include these conditions in its order. The administering department or agency would also have the right to protest within sixty days, *only* on the grounds that the Commission's order failed adequately to protect identified aesthetic and historic values. A protest would, until withdrawn, stay the Commission's order.

410(f) (i). (Section 409(e) (i) in FPC bill).

(Section 409(e) (i) H.R. 12322).

410(f) (ii). (409(e) (ii) in FPC bill).

(409(e) (ii) in H.R. 12322).

410(g). Not in FPC bill.

(409(f) in H.R. 12322) Requires all extra-high-voltage facilities constructed, extended, or modified after the effective date of the act, and interconnected facilities, would be available for transmission service, to the extent of any excess capacity, by any person demonstrating a need for such service consistent with the objectives of the new part IV of the Federal Power Act; empowers the FPC, in appropriate cases, to authorize third parties to enlarge existing EHV facilities, at their own expense, to provide additional capacity to transmit their power. The Commission would prescribe the conditions of use, including compensation to the owner of the line, and where appropriate, to the owner of the land underlying the right-of-way.

410(h) (Not in FPC bill).

(410 in FPC bill) Sets up a mechanism for determining questions of land-use arising either in the regional planning process under section 404 or in the review of extra-high-voltage facilities proposals under section 409. Whenever such a question arises, formally or informally, the Commission would entertain written comments by Federal, interstate, state and local agencies responsible for land-use planning in the affected region. The Commission would defer to the views of the responsible agency, if any existed, to resolve local land-use questions unless it determined that a particular solution would be inconsistent with the objectives of this part.

411. Permits the Commission, after notice and opportunity for hearing, to direct any person engaged in generation or transmission of electric energy to establish physical connection of its facilities with those of another person or persons engaged in generation, transmission or sale of electric energy, to sell energy to or exchange energy with such person. The Commission could do so on its own motion or on complaint, but would have to find that "no undue burden would be imposed on the respondent by the interconnection order." It would also have to find that this action was necessary or appropriate to carry out the objectives of Part IV. The Commission could prescribe the terms and conditions of the arrangement to be made between the parties affected by the order.

412. Prohibits the abandonment of any bulk power supply service, or of any part

(Not in H.R. 12322).
(410 in H.R. 12322).

No change.

Provides that nothing in this section shall be deemed to repeal any provision of the Atomic Energy Act of 1954, as amended.

Deleted in Ottinger bill as inadequate protection and no longer necessary in view of authority granted to the National Council.

Adds language to make it clear that the section authorizes the Commission to provide for transmission of energy and specify the terms and conditions, including compensation for such use of the transmission lines, and that the section shall not be deemed to modify or repeal any Federal power marketing statute.

Same as H.R. 12322 adds provision that the exercise of authority under this section is subject to procedures and requirements of Section 410.

No change.

No change.

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of a person's bulk power supply facilities, if the effect would be abandonment, curtailment or impairment of bulk power service, without the advance approval of the Commission. Approval could be granted after notice and opportunity for hearing, on a finding that the abandonment or curtailment would be consistent with the objectives of Part IV.

413(b). Not in FPC bill.

413(m). Not in FPC bill.

414. (413 in FPC bill) Gives the Commission power to exempt facilities, persons or activities from any requirement of Part IV or from any rule or regulation thereunder, in order to avoid excessive burdens on persons engaged in bulk power supply, regional councils, and the public. It could issue such exemptions, by rule, after notice and opportunity for hearing and on determining that the exemption was necessary and appropriate to carry out the objectives of Part IV. Conditions could be attached to an exemption, and it could, after notice and opportunity for hearing, be revoked.

Sec. 4. Not in FPC bill.

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

H.R. 12322

H.R. 14971

Not in H.R. 12322.

Not in H.R. 12322.

Adds provision precluding exemption for any action pursuant to 409(e) (410 in Oettinger bill).

Requires annual reporting of all utility expenditures for advertising promotion, public relations and contributions; specifies detail and manner of reporting and requires utilities to furnish summaries of the reports to their consumers.

Requires six months reports on expenditures related to any project proposal before the FPC; specifies detail and manner of reporting and requires utility to make reports available to its consumers.

Same as H.R. 12322 but adds language precluding exemption for any matter pursuant to sections 404, 405, 410 and 413.

New section (not an amendment to the Federal Power Act) requiring the Commission to survey existing and planned high voltage-heavy current testing and research facilities in the United States for adequacy and accessibility to all interested persons and to report its findings to Congress within one year, making recommendations for corrective action if necessary.

Same as H.R. 12322 but adds new subsection directing FPC to make full study of impact of overhead transmission lines.

LEGISLATION FOR SPECIAL VISAS FOR EARTHQUAKE VICTIMS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. GIAIMO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. GIAIMO. Mr. Speaker, yesterday I introduced special legislation to authorize the immediate entry into the United States of aliens who have been displaced as a result of the catastrophic earthquakes in Sicily earlier this month.

My legislation would make available special nonquota immigrant visas to those earthquake victims uprooted from their homes and in urgent need of assistance. The wives and children of such aliens would also be issued special visas. Because of the Immigration and Nationality Act's existing provisions which allocate the number of visas to be issued under each category and place a ceiling on the number of immigrants drawn from one country, special legislation is necessary to provide visas to these distressed aliens so that they will not be charged against the Italian quota. Precedent for this type of special legislation was established in 1958 when similar legislation was enacted to help Portuguese victims of volcanic eruptions in the Azores.

The tragic loss of lives and disastrous

loss of property as a result of the Sicilian earthquakes have totally disrupted the island. By lending a hand and opening our doors to these destitute persons, we can give them an opportunity to start anew and can instill in them hope for a brighter future. Furthermore, many of these survivors who have lost members of their immediate families have close relatives here in this country. Reunification of these families will help alleviate their distress and suffering.

Mr. Speaker, passage of this measure is in the best tradition of America's humanitarian policy of offering a haven to the distressed and suffering, and to victims or refugees from disaster or tyranny. I urge immediate consideration and action on this proposal.

GAMBLERS' SUPREME COURT VICTORY HAMPERS FIGHT AGAINST ORGANIZED CRIME

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FASCELL. Mr. Speaker, the Supreme Court threw out, on the basis of constitutional objections, the Federal gambling tax that the Federal Bureau of Investigation and local police have used

widely in their drive against organized crime.

Yesterday the Supreme Court reversed the convictions of two persons who had refused to pay the Federal wagering tax on the ground that it deprived them of their constitutional privilege, under the fifth amendment, against self-incrimination.

The law that was voided by the Supreme Court required persons who were engaged in the business of accepting wagers to register with the Internal Revenue Service, to buy a \$50 stamp, and to pay an excise tax of 10 percent on the annual gross amount of all wagers accepted. Gamblers were also required to furnish the IRS with their home and business addresses and their employees, and to keep accounts of their wagers. The gamblers who bought the stamps were listed and copies of the lists were available to every law-enforcement agency.

The Internal Revenue Service, over the past 10 years, has collected an average of over \$6½ million a year from gamblers under the act. About 10 percent represented the income from the sale of wagering stamps. The voiding of the law will mean not only the loss of this income, but more importantly will deprive law-enforcement officials of one of their principal weapons against organized crime.

In hearings that have been held by the Legal and Monetary Affairs Subcommittee of the House Committee on Govern-

ment Operations, of which I am chairman, that fact was made very clear. Estimates of the amount of money organized crime makes every year from gambling vary, but all authorities agree that it is extremely high. The President's Crime Commission estimated the gross to be between \$7 and \$50 billion annually.

The Honorable Fred M. Vinson, Jr., Assistant Attorney General in charge of the Criminal Division testified at the hearings that an estimate of \$20 billion gross would be conservative. All experts also agree that gambling profits are the principal financial support of big-time racketeering and gangsterism. Mr. William A. Kolar, Director of the IRS Intelligence Division, testified in that regard as follows:

These profits provide the financial resources whereby ordinary criminals are converted into big-time racketeers, political bosses, pseudo-businessmen and philanthropists.

It is generally agreed that the flow of money to bookmakers taking bets on horse-racing and sporting events and wagers placed in lottery operations totals billions of dollars annually. From its huge gambling profits, organized crime is able to finance other illicit activities. The gambling business in this Nation involves a socioeconomic problem of great magnitude. Gambling, the financial support of organized crime, has the potential to destroy our democratic way of life if we do not control it, and contributes to the poverty which exists in many parts of the country. Certainly we are all conscious that racketeering has often subverted local governments and destroyed their integrity. It is reaching further into legitimate businesses every day, and when it reaches into legitimate business, integrity goes out the window.

The problem of trying to defeat organized crime is a continuing one. The Legal and Monetary Affairs Subcommittee is concerning itself with the Federal effort in that regard. We are studying the capabilities of the departments and agencies to cope with the problem; whether they are doing everything possible within their capabilities, and whether their armaments need be strengthened. The Supreme Court decisions undoubtedly have reduced their strength to deal with the menace. I have today called upon Assistant Attorney General Vinson to advise the subcommittee what effects the decisions are likely to have on law enforcement, whether any adverse effects can be overcome administratively, and if legislation will be required, the nature thereof and when it is likely to reach the Congress.

The war against organized crime must be pursued without cease. If one weapon fails, another, of equal or greater force, must be substituted, rapidly. I would hope that the Department of Justice stands ready to rush another into the fight.

NATIONAL SCHOOL SAFETY PATROL WEEK

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FASCELL. Mr. Speaker, today I joined with my good friend and colleague, Congressman SAM GIBBONS, in introducing a resolution to establish the second week of each May as National School Safety Patrol Week.

Of all public service, perhaps the least heralded and least appreciated is that performed throughout the country, every day on which our elementary and junior high schools are open, by the boys and girls of the School Safety Patrol. Surely the time has come to recognize the outstanding nature of this service and to honor the persons so involved.

There is nothing trifling about the performance of the School Safety Patrol, by any means. At the present time, 900,000 patrol members are engaged in protecting the physical well-being of some 19 million students attending 40,000 schools throughout the United States, while 156,000 patrol members perform the same service in foreign lands.

The patrol boys and girls whose duty it is to guide and protect their schoolmates at school crossings on the public streets have the backing and support of every authority rightfully concerned in the matter. Their organization is governed by school authorities, with the American Automobile Association, which many years ago initiated the entire school patrol program. The AAA, in addition to coordinating the program at the national level, is also responsible in many communities for furnishing patrol members with belts, badges, and raincoats.

The first large-scale patrol program, carried out under the auspices of the AAA, was inaugurated in the 1920's. The results have been dramatic. Since 1922, the traffic death rate of school-age children has dropped nearly one-half, while the death rate of all other age groups has doubled. There is only one conclusion to draw from these statistics.

We are constantly advised by the diligent news media that our young people are taking over the country and behaving irresponsibly. It is high time, I think, that we tell something of the other story; that we emphasize the positive behavior of many young Americans. What better way than to single out the public service of this large body of responsible people, and to praise their performance, in an annual demonstration of respect? It is all very well to demand that youth respect their elders, but there also is something to be said for their elders respecting the valuable performances of youth—and doing so in such a way that everybody hears about it.

Each year, the American Automobile Association joins with the schools and the police in sponsoring the National School Safety Patrol parade in Washington, D.C. More than 22,000 boys and girls from 20 or more States annually participate in this colorful event. Every year, in conjunction with the parade, the AAA presents gold lifesaver medals to those young patrol heroes who actually have saved the life of a schoolmate. Leading national officials are generally

on hand to present the medals on these occasions.

The Congress cannot afford any longer to ignore the public service of these splendid young Americans, the members of the school safety patrols. It is our responsibility to join in honoring their performances and expressing our sense of true appreciation.

I therefore urge the Congress to designate the second week in May "National School Safety Patrol Week," to be celebrated on an annual basis.

CRISIS IN WORLD STRATEGY: WHAT WOULD MACARTHUR DO?

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. RARICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. RARICK. Mr. Speaker, the boarding and seizure by North Korean naval forces of the U.S.S. *Pueblo* in international waters in the Sea of Japan is not any partisan matter but one of transcendent significance that emphasizes the strategic insight and vision of General MacArthur at the time of the Korean war, 1950-51. Prevented from bringing that sanguinary struggle to an end in the normal way with a "just and honorable peace" in the shortest time and with the least loss of American lives and treasure, he foresaw what would be the consequences of our failure and expressed in clear language what should be our policy.

What General MacArthur said during the Korean war in 1951 before a joint meeting of the Congress is even more applicable today. We can ignore it only at our peril. I quote one passage:

The Communist threat is a global one. Its successful advance in one sector threatens the destruction of every other sector. You can not appease or otherwise surrender to Communism in Asia without simultaneously undermining our efforts to halt its advance in Europe.

Following his immortal address before the Congress, General MacArthur appeared before joint sessions of the Senate Committees on Armed Services and Foreign Relations, May 3-5, 1951, in which he covered every significant policy angle and warned that if the United States did not bring the Korean war to a "decisive and victorious end" it would have to accept "all the consequences of a disastrous defeat." History has more than justified his worst fears as by the great number of casualties suffered by the United States after April 1951 and by the extension of the Korean war to Vietnam.

The testimony of General MacArthur before the Armed Services and Foreign Relations Committees of the Senate, May 3-5, 1951, was recently reprinted by the Hour-Glass Publishers, Post Office Box 443, River Station, Paterson, N.J. 07524. This testimony should be read by all Members of the Congress and officials of the executive branch concerned with the formulation of policy.

In concluding those historic hearings, Chairman RICHARD B. RUSSELL had this to say:

General MacArthur, I wish to state that the three days that you have been here with us are without parallel in my legislative experience.

I have never seen a man subjected to such a barrage of questions in so many fields and on so many varied subjects.

I marvel at your physical endurance. More than that, I have been profoundly impressed by the vastness of your patience and the thoroughness and frankness with which you have answered all of the questions that have been propounded.

We have certainly drawn freely on your vast reservoir of knowledge and experience, not only as a great military captain, but also as a civilian administrator of 80 million people.

As General MacArthur's 1951 address before the Congress summarizes his views that are now more applicable than ever, I quote its full text as part of my remarks and urge that it not only be studied but also that all persons concerned with the formulation of policy listen to a recording of it.

Mr. Speaker, I ask unanimous consent to follow my remarks with General MacArthur's address before the joint session of Congress.

[From "Reminiscences"]

Mr. President, Mr. Speaker, and distinguished Members of the Congress:

I stand on this rostrum with a sense of deep humility and great pride—humility in the wake of those great American architects of our history who have stood here before me, pride in the reflection that this forum of legislative debate represents human liberty in the purest form yet devised. Here are centered the hopes and aspirations and faith of the entire human race.

I do not stand here as advocate for any partisan cause, for the issues are fundamental and reach quite beyond the realm of partisan consideration. They must be resolved on the highest plane of national interest if our course is to prove sound and our future protected. I trust, therefore, that you will do me the justice of receiving that which I have to say as solely expressing the considered viewpoint of a fellow American. I address you with neither rancor nor bitterness in the fading twilight of life with but one purpose in mind—to serve my country.

The issues are global and so interlocked that to consider the problems of one sector, oblivious to those of another, is but to court disaster for the whole.

While Asia is commonly referred to as the gateway to Europe, it is no less true that Europe is the gateway to Asia, and the broad influence of the one cannot fail to have its impact upon the other.

There are those who claim our strength is inadequate to protect on both fronts—that we cannot divide our efforts. I can think of no greater expression of defeatism. If a potential enemy can divide his strength on two fronts, it is for us to counter his effort.

The Communist threat is a global one. Its successful advance in one sector threatens the destruction of every other sector. You cannot appease or otherwise surrender to Communism in Asia without simultaneously undermining our efforts to halt its advance in Europe.

Beyond pointing out these simple truisms, I shall confine my discussion to the general area of Asia. Before one may objectively assess the situation now existing there, he must comprehend something of Asia's past and the revolutionary changes which have marked her course up to the present. Long exploited

by the so-called colonial powers, with little opportunity to achieve any degree of social justice, individual dignity, or a higher standard of life such as guided our own noble administration of the Philippines, the peoples of Asia found their opportunity in the war just past to throw off the shackles of colonialism and now see the dawn of new opportunity, a heretofore unfelt dignity and the self-respect of political freedom.

Mustering half of the earth's population and 60 per cent of its natural resources, these peoples are rapidly consolidating a new force, both moral and material, with which to raise the living standard and erect adaptations of the design of modern progress to their own distinct cultural environments. Whether one adheres to the concept of colonialization or not, this is the direction of Asian progress and it may not be stopped. It is a corollary to the shift of the world economic frontiers, as the whole epicenter of world affairs rotates back toward the area whence it started. In this situation it becomes vital that our country orient its policies in consonance with this basic evolutionary condition rather than pursue a course blind to the reality that the colonial era is now past and the Asian peoples covet the right to shape their own free destiny. What they seek now is friendly guidance, understanding, and support, not imperious direction; the dignity of equality, not the shame of subjugation. Their prewar standard of life, pitifully low, is infinitely lower now in the devastation left in war's wake. World ideologies play little part in Asian thinking and are little understood. What the peoples strive for is the opportunity for a little more food in their stomachs, a little better clothing on their backs, a little firmer roof over their heads, and the realization of the normal nationalist urge for political freedom. These political-social conditions have but an indirect bearing upon our own national security, but form a backdrop to contemporary planning which must be thoughtfully considered if we are to avoid the pitfalls of unrealism.

Of more direct and immediate bearing upon our national security are the changes wrought in the strategic potential of the Pacific Ocean in the course of the past war. Prior thereto, the western strategic frontier of the United States lay on the littoral line of the Americas with an exposed island salient extending out through Hawaii, Midway, and Guam to the Philippines. That salient proved not an outpost of strength but an avenue of weakness along which the enemy could and did attack. The Pacific was a potential area of advance for any predatory force intent upon striking at the bordering land areas.

All this was changed by our Pacific victory. Our strategic frontier then shifted to embrace the entire Pacific Ocean which became a vast moat to protect us as long as we hold it. Indeed, it acts as a protective shield for all of the Americas and all free lands of the Pacific Ocean area. We control it to the shores of Asia by a chain of islands extending in an arc from the Aleutians to the Marianas held by us and our free allies. From this island chain we can dominate with sea and air power every Asiatic port from Vladivostok to Singapore and prevent any hostile movement into the Pacific. Any predatory attack from Asia must be an amphibious effort. No amphibious force can be successful without control of the sea lanes and the air over those lanes in its avenue of advance. With naval and air supremacy and modest ground elements to defend bases, any major attack from continental Asia toward us or our friends of the Pacific would be doomed to failure. Under such conditions the Pacific no longer represents menacing avenues of approach for a prospective invader—it assumes instead the friendly aspect of a peaceful lake. Our line of defense is a natural one and can be maintained with

a minimum of military effort and expense. It envisions no attack against anyone nor does it provide the bastions essential for offensive operations, but properly maintained would be an invincible defense against aggression.

The holding of this littoral defense line in the western Pacific is entirely dependent upon holding all segments thereof, for any major breach of that line by an unfriendly power would render vulnerable to determined attack every other major segment. This is a military estimate as to which I have yet to find a military leader who will take exception. For that reason I have strongly recommended in the past as a matter of military urgency that under no circumstances must Formosa fall under Communist control. Such an eventuality would at once threaten the freedom of the Philippines and the loss of Japan, and might well force our western frontier back to the coasts of California, Oregon and Washington.

To understand the changes which now appear upon the Chinese mainland, one must understand the changes in Chinese character and culture over the past fifty years. China up to fifty years ago was completely non-homogeneous, being compartmented into groups divided against each other. The war-making tendency was almost nonexistent, as they still followed the tenets of the Confucian ideal of pacifist culture. At the turn of the century, under the regime of Chia So Lin, efforts toward greater homogeneity produced the start of a nationalist urge. This was further and more successfully developed under the leadership of Chiang Kai-shek, but has been brought to its greatest fruition under the present regime, to the point that it has now taken on the character of a united nationalism of increasingly dominant aggressive tendencies. Through these past fifty years, the Chinese people have thus become militarized in their concepts and in their ideals. They now constitute excellent soldiers with competent staffs and commanders. This has produced a new and dominant power in Asia which for its own purposes is allied with Soviet Russia, but which in its own concepts and methods has become aggressively imperialistic with a lust for expansion and increased power normal to this type of imperialism. There is little of the ideological concept either one way or another in the Chinese makeup. The standard of living is so low and the capital accumulation has been so thoroughly dissipated by war that the masses are desperate and avid to follow any leadership which seems to promise the alleviation of local stringencies. I have from the beginning believed that the Chinese Communist's support of the North Koreans was the dominant one. Their interests are at present parallel to those of the Soviet, but I believe that the aggressiveness recently displayed not only in Korea, but also in Indo-China and Tibet, and pointing potentially toward the south reflects predominantly the same lust for the expansion of power which has animated every would-be conqueror since the beginning of time.

The Japanese people since the war have undergone the greatest reformation recorded in modern history. With a commendable will, eagerness to learn, and marked capacity to understand, they have, from the ashes left in war's wake, erected in Japan an edifice dedicated to the primacy of individual liberty and personal dignity, and in the ensuing process there has been created a truly representative government committed to the advance of political morality, freedom of economic enterprise, and social justice. Politically, economically and socially, Japan is now abreast of many free nations of the earth and will not again fail the universal trust. That it may be counted upon to wield a profoundly beneficial influence over the course of events in Asia is attested by the magnificent manner in which the Japanese people have met

the recent challenge of war, unrest and confusion surrounding them from the outside, and checked Communism within their own frontiers without the slightest slackening in their forward progress. I sent all four of our occupation divisions to the Korean battlefield without the slightest qualms as to the effect of the resulting power vacuum upon Japan. The results fully justified my faith. I know of no nation more secure, orderly and industrious—nor in which higher hopes can be entertained for future constructive service in the advance of the human race.

Of our former ward, the Philippines, we can look forward in confidence that the existing unrest will be corrected and a strong and healthy nation will grow in the longer aftermath of war's terrible destructiveness. We must be patient and understanding and never fail them, as in our hour of need they did not fail us. A Christian nation, the Philippines stand as a mighty bulwark of Christianity in the Far East, and its capacity for high moral leadership in Asia is unlimited.

On Formosa, the Government of the Republic of China has had the opportunity to refute by action much of the malicious gossip which so undermined the strength of its leadership on the Chinese mainland. The Formosan people are receiving a just and enlightened administration with majority representation on the organs of government, and politically, economically and socially they appear to be advancing along sound and constructive lines.

With this brief insight into the surrounding areas I now turn to the Korean conflict. While I was not consulted prior to the President's decision to intervene in support of the Republic of Korea, that decision, from a military standpoint proved a sound one, as we hurled back the invader and decimated his forces. Our victory was complete and our objectives within reach when Red China intervened with numerically superior ground forces. This created a new war and an entirely new situation—a situation not contemplated when our forces were committed against the North Korean invaders—a situation which called for new decisions in the diplomatic sphere to permit the realistic adjustment of military strategy. Such decisions have not been forthcoming.

While no man in his right mind would advocate sending our ground forces into continental China and such was never given a thought, the new situation did urgently demand a drastic revision of strategic planning if our political aim was to defeat this new enemy as we had defeated the old.

Apart from the military need as I saw it to neutralize the sanctuary protection given the enemy north of the Yalu, I felt that military necessity in the conduct of the war made mandatory:

1. The intensification of our economic blockade against China;
2. The imposition of a naval blockade against the China coast;
3. Removal of restrictions on air reconnaissance of China's coastal area and of Manchuria;
4. Removal of restrictions on the forces of the Republic of China on Formosa with logistic support to contribute to their effective operations against the common enemy.

For entertaining these views, all professionally designed to support our forces committed to Korea and bring hostilities to an end with the least possible delay and at a saving of countless American and Allied lives, I have been severely criticized in lay circles, principally abroad, despite my understanding that from a military standpoint the above views have been fully shared in the past by practically every military leader concerned with the Korean campaign, including our own Joint Chiefs of Staff.

I called for reinforcements, but was informed that reinforcements were not available. I made clear that if not permitted to destroy the enemy buildup bases north of the Yalu; if not permitted to utilize the friendly Chinese force of some 600,000 men on Formosa; if not permitted to blockade the China coast to prevent the Chinese Reds from getting succor from without; and if there were to be no hope of major reinforcements, the position of the command from the military standpoint forbade victory. We could hold in Korea by constant maneuver and at an approximate area where our supply line advantages were in balance with the supply line disadvantages of the enemy, but we could hope at best for only an indecisive campaign, with its terrible and constant attrition upon our forces if the enemy utilized his full military potential. I have constantly called for the new political decisions essential to a solution. Efforts have been made to distort my position. It has been said that I was in effect a war monger. Nothing could be further from the truth. I know war as few other men now living know it, and nothing to me is more revolting. I have long advocated its complete abolition as its very destructiveness on both friend and foe has rendered it useless as a means of settling international disputes. Indeed, on the 2nd of September 1945, just following the surrender of the Japanese nation on the battleship *Missouri*, I formally cautioned as follows: "Men since the beginning of time have sought peace. Various methods through the ages have been attempted to devise an international process to prevent or settle disputes between nations. From the very start, workable methods were found insofar as individual citizens were concerned; but the mechanics of an instrumentality of larger international scope have never been successful. Military alliances, balances of power, leagues of nations, all in turn failed, leaving the only path to be by way of the crucible of war. The utter destructiveness of war now blots out this alternative. We have had our last chance. If we will not devise some greater and more equitable system, Armageddon will be at the door. The problem basically is theological and involves a spiritual recrudescence and improvement of human character that will synchronize with our almost matchless advances in science, art, literature, and all material and cultural developments of the past 2,000 years. It must be of the spirit if we are to save the flesh."

But once war is forced upon us, there is no other alternative than to apply every available means to bring it to a swift end. War's very object is victory—not prolonged indecision. In war, indeed, there can be no substitute for victory.

There are some who for varying reasons would appease Red China. They are blind to history's clear lesson. For history teaches with unmistakable emphasis that appeasement but begets new and bloodier war. It points to no single instance where the end has justified that means—where appeasement has led to more than a sham peace. Like blackmail, it lays the basis for new and successively greater demands, until, as in blackmail, violence becomes the only alternative. Why, my soldiers asked of me, surrender military advantages to an enemy in the field? I could not answer. Some may say to avoid spread of the conflict into an all-out war with China; others, to avoid Soviet intervention. Neither explanation seems valid. For China is already engaging with the maximum power it can commit and the Soviet will not necessarily mesh its actions with our moves. Like a cobra, any new enemy will more likely strike whenever it feels that the relativity in military or other potential is in its favor on a world-wide basis.

The tragedy of Korea is further heightened by the fact that as military action is confined

to its territorial limits, it condemns that nation, which it is our purpose to save, to suffer the devastating impact of full naval and air bombardment, while the enemy's sanctuaries are fully protected from such attack and devastation. Of the nations of the world, Korea alone, up to now, is the sole one which has risked its all against Communism. The magnificence of the courage and fortitude of the Korean people defies description. They have chosen to risk death rather than slavery. Their last words to me were, "Don't scuttle the Pacific."

I have just left your fighting sons in Korea. They have met all tests there and I can report to you without reservation they are splendid in every way. It was my constant effort to preserve them and end this savage conflict honorably and with the least loss of time and a minimum sacrifice of life. Its growing bloodshed has caused me the deepest anguish and anxiety. Those gallant men will remain often in my thoughts and in my prayers always.

I am closing my fifty-two years of military service. When I joined the Army even before the turn of the century, it was the fulfillment of all my boyish hopes and dreams. The world has turned over many times since I took the oath on the Plain at West Point, and the hopes and dreams have long since vanished. But I still remember the refrain of one of the most popular barrack ballads of that day which proclaimed most proudly that—

"Old soldiers never die, they just fade away."

And like the old soldier of that ballad, I now close my military career and just fade away—an old soldier who tried to do his duty as God gave him the light to see that duty.

Good-by.

FREEDOM DAY RALLY

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [MR. RARICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. RARICK. Mr. Speaker, annually on January 23 the Free Republic of China at Taiwan holds a national rally in observance of Freedom Day. Freedom Day commemorates the day of decision by some 22,000 captured military prisoners from Communist China and North Korea who, when given the freedom of choice—whether to return home and live under communism or to live under freedom in the Republic of China—voluntarily selected the free world.

Escapes from Communist tyranny, persecuted and disillusioned, continue to swell the ranks of those who have escaped communism and know firsthand the tortures and ravages of communism. To them anticomunism is a basic sustaining belief and motivating force. They live to voice their experience and sufferings as a witness to the free world to awaken free men to the forces of darkness arrayed against us with one common threat—a world of people reduced to slavery under the minority masters of international communism.

I was honored to have been invited and participate in the Freedom Day Rally as a voice for the anticomunist people of the United States.

The warm friendship of the Free Chinese hosts, friends, and citizens was heartwarming and a genuine tribute to

the strong bond of mutual regard between the people of our two countries. The fervent hope of the organizers and participants of the Freedom Day rally was that additional nations and free people take a stand to join in their crusade for the freedom of all mankind from Communist slavery.

Mr. Speaker, I was personally able to meet and confer with President Chiang Kai-shek, one of the best informed and dedicated anti-Communists in the world. Mrs. Rarick and I were also guests of the gracious and lovely Madame Chiang. Wonderful people, one and all.

I returned with an English translation of the Freedom Day program including the message of President Chiang, and speeches of the Vice President C. K. Yen and Chairman Ku Cheng-Kang, all of which I ask by unanimous consent of this House of Representatives be reproduced in the RECORD of this body following my remarks.

PROGRAM FOR THE TAIPEI RALLY COMMEMORATING THE 14TH ANNIVERSARY OF ANTI-COMMUNIST FREEDOM DAY

Opening of the meeting.

Peal of Freedom Bell.

Chairman takes rostrum.

Audience stands up at attention.

National anthem.

Salute to National Flag.

Read messages from H. E. President Chiang and others.

Address by Chairman Ku Cheng-kang.

Speech by H. E. Vice President C. K. Yen. Speeches by: Hon. John R. Rarick, Member of U.S. Congress; Indonesian anti-Communist fighter Mr. S. H. Noto.

Anti-Communist songs.

Reports by First Lieutenant Phil-un Lee of Korea, a freedom-seeker from North Korea; Mr. Le Xuan Chuyen of Vietnam, a freedom-seeker from North Vietnam.

Introduce newly-arrived freedom-seekers from the China mainland.

Report by freedom-seeker Mr. Niao Tseng Pai.

Read Declaration of the Rally and outgoing messages.

Anti-Communist Freedom Song.

Chant slogans.

Band play.

End of the meeting.

After-meeting entertainment: (a 20-minute film show on the First Conference of the World Anti-Communist League and the 13th Conference of the Asian Peoples' Anti-Communist League).

PRESIDENT CHIANG KAI-SHEK'S MESSAGE TO THE MAO SUPPRESSION AND NATIONAL SALVATION RALLY ON THE 14TH ANNIVERSARY OF FREEDOM DAY, JANUARY 23, 1968

Fourteen thousand Chinese Communist prisoners of war courageously chose freedom in Korea January 23, 1954. Since then the Freedom Day Movement has grown steadily and now has become a united expression of free mankind in the battle of liberty versus tyranny. The Freedom Day Movement is getting the course for the further unfolding of history and eventually will corroborate the axiom that "Slavery will fail and tyranny will collapse".

Mao Tse-tung has become the common enemy of the world and the worst scum of human society. The failure of the fanatical "great cultural revolution", the continuing Red Guard turmoil and the endless killings of the "power-seizure struggle" have brought Mao's regime to the brink of final collapse. Mao's egocentric ambitions long ago engendered sharp antagonisms between the ruling Communist Party and the people of the

mainland. The Party itself is torn by mad struggle and internecine warfare. Deep schisms afflict even the relations among the Maoists. Amid all this confusion, the anti-Mao struggle has swiftly become an all-out offensive against Communism. The people of the mainland are striving to save themselves and their country with a rising torrent of revolutionary uprisings.

Responding to the altered balance of strength between the Republic of China and the enemy, our government has established the Mao Suppression and National Salvation United Front and adopted a strategy of action. We are inviting all anti-Mao and anti-Communist forces—at home and abroad, in front of and behind the enemy's lines—to rally under the banner of *San Min Chu I* (Dr. Sun Yat-sen's Three Principles of the People) and march forward hand in hand and shoulder to shoulder to our common destination. All of us here in this bastion of national recovery will understand this strategy and join in providing the motive force to make our Movement a success. At this dual-purpose rally we are celebrating the 14th anniversary of Freedom Day and giving impetus to the Mao Suppression and National Salvation Front. All of us join together in urging patriotic and anti-Mao people everywhere to combine forces with us in the common struggle and deal the final and fatal blow to Mao Tse-tung.

The program of action of the Mao Suppression and National Salvation United Front requires simultaneous mobilization and attack on many fronts—political, economic, military, diplomatic and cultural. Special emphasis is to be placed on the progress of both Chinese cultural renaissance and the scientific modernization of national construction. Our glorious victory can be expedited only if we fight on both intellectual and material battlegrounds in this contest between freedom and slavery, between *San Min Chu I* and the Communist hereby, between perfect benevolence and the most evil wickedness. In this way we shall recover and reconstruct our nation in a single victorious battle.

This is the moment to unite all the freedom forces of the world and undertake a universal crusade to deliver those who are enslaved behind the iron curtain. After that we shall enter the new epoch of *San Min Chu I* and go forward toward the ideal of one great commonwealth of freedom and equality.

H. E. President Chiang Kai-shek, Republic of China.

H. E. President Park Chung Hee, Republic of Korea.

H. E. President Nguyen-Van-Thieu, Republic of Vietnam.

H. E. Ambassador Walter P. McConaughy, Embassy of United States of America.

Hon. Nobusuke Kishi, Former Premier of Japan.

Dr. Phan-Huy-Quat, President of WACL & APACL Vietnam Chapter.

Dr. J. Kitaoka, Secretary-General, on behalf of WACL & APACL Japan Chapter.

Hon. Tchere Adoum, Speaker of National Assembly of Chad.

Dr. Apelles E. Marquez, President of PAEDA.

Hon. Joe D. Waggoner, Jr., Member of U.S. Congress.

Hon. Charles Edison, Chairman of the Committee of One Million Against the Admission of Communist China to the U.N.

Hon. Marvin Liebman, Secretary-General, Committee of One Million Against the Admission of Communist China to the U.N.

Mr. Ole Bjorn Kraft, President of the European Freedom Council.

Ven. Meetyagoda Gunaratne, Maha Na Yark Theru, President of WACL & APACL Ceylon Chapter.

Mr. Jaroslaw Stetsko, President of ABN.

Hon. Ritchie Macdonald, M.P. of New Zealand.

Rear Admiral Pinn Panthawi, President of Free People League of Thailand.

Mr. Carlos Lamar, Centro Nacional De Estudios Sociales, A. C.

Gen. Lee Eung-joon, President of WACL & APACL Korea Chapter.

Dr. Lev E. Dobriansky, Chairman of National Captive Nations Committee.

Mr. Ibrahim S. Afrah, President of Somali African Union.

Mr. Walter Chopiwsky, President of Arizona Branch of National Captive Nations Committee.

Sir Otto Molden, President of the European Federalist Party of Austria.

Madame Esther de Proenca Lago, Chairman of BW CN.

Mr. Feliks Gadomski, Acting Secretary-General of Assembly of Captive European Nations.

Mr. Valter Loll.

Mr. Jorge Mas, Representacion Cubana Del Exilio.

Mr. Nan D. Landon, Director of Institute of Political Psychology.

Mr. James D. Elkjer, Secretary of World Youth Crusade for Freedom.

Rev. Stephen Dunker, Founder Cardinal Mindszenty Foundation.

Hon. Chao Sopsalsana, Laos Congressman.

Mr. Ramon D. Bagatsing, President of APACL & WACL Philippines Chapter.

Hon. Amos A. Lisiamba, Member of Malawi Congress.

Mr. Dahyabhai V. Patel, President of APACL India Chapter.

Mr. Rama Swarup, Secretary-General of APACL India Chapter.

Hon. Robert N. Thompson, Member of Parliament of Canada.

Mr. Mohammad Mochtar Ghazali, President of APACL Indonesia Chapter.

Hon. Fethi Tevetoglu, Senator of Turkey.

Mr. Tsai Chang, Delegate of Ryukyu.

Major Robert W. L. Lindsay.

Dr. Parviz Kazemi.

Dr. Mario A. Lopez, E., Dean of College of Law of Paraguay University.

Miss Amalia Escobar, Delegate of El Salvador Women Anti-Communist Organization.

Dr. Jan Reisser, Chairman of Declaration of the ACEN.

Mr. Alfredo T. Rusins, Vice-Chairman of C.B.E.L.

Mr. Mircea Buesca, the Executive Secretary of A.A.N.C.

Admiral Carlon Pennu Botto, Chairman of Cruz da Brasileira Anti-Communista.

Hon. Chen Tung-hai, Senator of Malaysia.

Mr. Albert Munst.

Mr. Alfred B. Gielen, Delegate General of German-CIAS.

Dr. Francisco Pessotti.

Gen. Suhardiman, Army of Indonesia.

ADDRESS BY CHAIRMAN KU CHENG-KANG

Gathered here to observe the great Freedom Day, we representatives of all walks of life are happy to see that development in the world situation is showing clearly freedom will prevail over tyranny. Such is the direction in which history moves. There is, of course, yet a stretch of difficult journey to traverse before the victory of freedom is reached. But this journey can be shortened and much unnecessary suffering be averted for mankind, if free men fight the battle correctly.

It is public and common knowledge that freedom for Asia is vital to freedom in the rest of the world, as the Chinese Communist regime has been endangering all Asia and rocking the world. Mao Tse-tung's power struggle has created serious internal rift and caused him international isolation, but he is still troubling Asia and even attempting to threaten the world with his nuclear development. To accelerate the advent of freedom's victory, we must first destroy Mao's regime.

The war in Vietnam is both a critical test for the free world and a key factor deciding if freedom's victory can be advanced. The free

nations, while showing the determination to roll back Communist aggression and the will to cooperate with each other, have not brought the war to its victorious conclusion, which should be within reach. This delay is caused primarily by not seeking thorough victory over the enemy, and not applying coordinated effort strong enough for the purpose. The peace campaigns manipulated by the Communists, exploiting appeasement sentiments, have further confused the outlook.

Therefore we must support staunchly the firm Vietnam policy of President Lyndon B. Johnson of the United States; we must support the military action given in assistance to Vietnam by Korea, Philippines, Thailand, Australia and New Zealand. We ask that thorough victory be made the objective on the Vietnam battle field. The United States should take more positive action in Vietnam so that the allies would be willing to contribute more effort. We call on the free world to recognize that peace illusions and appeasement statements all demoralizing to the Vietnamese and Asian people's will and courage to fight for freedom. The will and interests of the Vietnamese people must not be overlooked; the independence and freedom of the Republic of Vietnam must not be compromised.

Thailand, Laos and Cambodia have become the target of Communist aggression, but Red power directed by Mao Tse-tung must not be allowed to expand anywhere. Our efforts must be united less we be defeated in detail. In our country we are working for the establishment of a united front against Mao to deliver our country, as directed by our President, but for all Asia a joint effort against Mao is equally urgent and vital. We Asians have come to realize that we must form a system of collective security with our own effort to fight against Communist slavery. We call on our friends in other areas of the free world that effort must be made to understand the needs of Asians, to respect the will of Asians, and to support the Asians on such basis. We also firmly believe that our own effort is the key to the solution of Asia's problems.

Collective security is of primary urgency for the safeguarding of freedom in Asia. The SEATO is practically paralyzed. The announced withdrawal of British forces will weaken Asia's defense. We Asians must, for our own safety and for world security, remove neutralism, appeasement, and obstructions from within and without, join our forces to safeguard Asia by our own strength and effort. The hopes of Asians can be realized only by our own determination.

The ASPAC (Asian and Pacific Council) is the good beginning of an Asian and Pacific organization. We must continuously reinforce and develop it, so that it will grow from economic, cultural cooperation to political cooperation and military alliance. We have been electrified to hear in the recent months, appeals made by the President of Korea, the President of the Philippines and the Prime Minister of Thailand, asking for closer unity among free Asian countries. Eagerly we await the production of concrete action to usher in a new era of peaceful and prosperous Asia.

On behalf of the Rally I want to express my thanks to the Vice President for his coming to address us, and my thanks to participants from afar: the Hon. John R. Rarick, U.S. Congressman, Mr. Pil-un Lee from Korea, Mr. Le Xuan Chuyen from Vietnam, and Mr. S. H. Noto from Indonesia. To Mr. Miao Chen-pai, Mr. Kuo Teh-lu, and Mr. Chang Shanchih who have left the Chinese Communist camp for freedom I give my warmest welcome; their wise choice and courageous action reflect the light of the coming victory of freedom for all mankind.

The victory of freedom is an inescapable fact of history, but let us all work harder to expedite its arrival!

VICE PRESIDENT C. K. YEN'S ADDRESS AT THE MAO SUPPRESSION AND NATIONAL SALVATION RALLY ON THE 14TH ANNIVERSARY OF FREEDOM DAY, JANUARY 23, 1968

Mr. Chairman, honorable guests, freedom fighters, ladies and gentlemen: Today we observe the 14th anniversary of Freedom Day. Fourteen years ago 14,000 Chinese prisoners-of-war in Korea took a remarkable and highly courageous stand that stirred people all over the world. In the years since then Communism has been faced with certain defeat and its dictatorial rule has been doomed to extinction. The auguries for this are to be found in the famine, confusion, struggle and schism that are prevailing on the Chinese mainland after nearly two decades of Mao's evil rule.

Reflected in the daring, exciting triumph of these anti-Communist brave men was the boundless courage of the Chinese people—a courage also expressed in the sentiments of others who seek freedom. Their deeds amplified humankind's cry for justice. Their thrilling, moving story has added an outstanding page to the history of mankind.

Our Freedom Day movement has been extended from the Republic of China and Korea to other parts of the world during the last 14 years. The movement has come to symbolize the global campaign for support of all enslaved people in their struggle for liberty. As a result, those behind the iron curtain have been encouraged to rise up against despotic rule. Their determination to gain freedom has been hardened. Uprisings and defections have become more frequent.

Present here today are freedom fighters from Korea, Vietnam, and the Chinese mainland. Also with us are other freedom fighters from Indonesia and honorable guests from the United States. They are witnesses to the success of our Movement. Additionally, their presence gives this rally deeper meaning and strengthens our determination to carry on the battle for freedom.

There can be no denying that our Movement has tolled the death knell of the Chinese Communists. They have tried to intimidate the world with their overwhelming population and have sought to transform their tactic of human-sea warfare into the means of international aggression. The Freedom Day Movement has exposed their evil trickery from the beginning. The masses of the people are no longer to be considered slaves that the Communists can oppress with their despotism and use as weapons against the forces of freedom. Even the Red armed forces are no longer reliable. The Communist troops have joined civilians of the mainland in their determination to see an opportunity to gain freedom. If they cannot win their liberty, they are determined to revolt.

The mass defection of the 14,000 prisoners 14 years ago lifted up the hearts of the people on the mainland and set a persuasive example for others. The forces of anti-Communism now surging across the mainland have grown from seeds that first were sown on Freedom Day. It was then that the Chinese Communists were dealt the first blow in the attack that would destroy them.

To the democratic countries, this day provides conclusive proof that the Peiping regime is opposed to the free will of the people and that its foundations are constructed of clay. Peiping seeks to cover up internal unrest with external aggression, but the effort is wholly lacking in popular support. In meeting the Communist challenge, democratic countries should keep in mind the Freedom Day finding that if Communist expansion is resisted, its weaknesses will be exposed and its collapse will be assured in the briefest period of time.

This great day has encouraged our fellow countrymen immensely. The Freedom Day epic that these 14,000 freedom seekers have written with their blood and tears provides

adequate proof of how deeply our compatriots on the mainland hate Communism, how strongly they yearn for freedom, and how fervently they support an early counteroffensive under the eminent leadership of President Chiang Kai-shek. We need have no doubt that the compatriots of Taiwan and the mainland have developed a common heart, that they have forged a common will, and that they are prepared to reply to each other's summons. They have welded themselves together in a joint effort to destroy the Chinese Communists. This is further assurance that the victory in our holy war and counteroffensive has never been in doubt.

How else can we commemorate this historic day? That question is being answered at this meeting. We shall join together in suppressing Mao and saving our country. We shall never pause until all of the Mao regime's remnant vices and poisons have been eradicated from the mainland.

President Chiang Kai-shek's Youth Day call for establishment of a Mao Suppression and National Salvation United Front is the perfect revolutionary strategy in this moment of decision. This is the goal toward which all patriotic Chinese at home and abroad are striving. In only a year, the President's pledge of "Those who are not our enemies are our comrades" has brought enthusiastic response from throughout the free world and from every corner of the Chinese mainland. Mao is now beleaguered by forces of freedom that have taken shape both inside and outside the mainland. The chieftain of the Chinese Communists is faced by an attack from the people. His days are numbered.

In this critical moment, we need to strengthen the Mao Suppression and National Salvation United Front and quicken our offensive. We must launch stronger attacks against Mao and his cohorts on all fronts—ideological, political, economic, cultural, civilian and military.

We wish to tell the world of our main objectives in the common effort to suppress Mao. These objectives are the upholding of our great cultural tradition, the protection of human dignity, the restoration of democracy on the Chinese mainland, and the assurance of peace and justice for all the world. We want to remind the free world that there is just one way to eradicate the root of all evils. That is to give us the moral and material support necessary to grasp the first favorable opportunity to destroy the Mao regime. Then we shall establish a new China based on the ideals of *San Min Chu I* (Dr. Sun Yat-sen's Three Principles of the People). In the process, we shall attain the goal of national recovery and pave the way to enduring peace in Asia and the world.

The transition from the Freedom Day Movement to the Mao Suppression and National Salvation Movement represents a decisive step in our great anti-Communist crusade. We have unwavering confidence that in solidifying our movement and continuing the struggle in accordance with this sagacious strategy and under the inspiring leadership of our President, we shall write a brilliant new page in the history of freedom's triumph over slavery.

DECLARATION OF MASS RALLY HELD IN TAIPEI ON FREEDOM DAY, JANUARY 23, 1968

On this 14th anniversary of Freedom Day, which is the symbol of victory for the cause of freedom and justice, we representatives of various walks of life in the Republic of China are assembled here in Taipei to cheer and rejoice on this auspicious occasion and to pledge ourselves to make continued efforts for the realization of the inner meaning and vital significance of Freedom Day.

The current situation has given us a clearer understanding of the truth that freedom is irresistible. The fact is that the wicked forces of International Communism have been

showing signs of steady deterioration, degeneration, and disintegration. Certain Communist regimes, such as those in Eastern Europe, have been forced to relax their totalitarian rule by giving some semblance of freedom to the tyranny they have imposed on their peoples, who will, however, not be satisfied with this limited degree of sham freedom and will continue to fight for the genuine article. Other Communist regimes, such as those typified by the wicked ideology and madness of Mao Tse-tung and his gang, have been hoping against hope to resist this irresistible trend of the times by a show of die-hardism. The so-called "cultural revolution" and the Red Guard rampage they have launched and instigated are vain efforts to stem the rising tide of freedom. They have even gone so far as to declare that they are out to destroy the free way of life in its entirety and to threaten the very existence of humanity as a whole. But facts have proved that their hopes are vain and their efforts futile. What they have succeeded in doing is merely to create internal dissension and external isolation for themselves. At the same time Mao Tse-tung has become the No. 1 public enemy not only of the Chinese people but also of the entire free world. Now even those elements in the Peiping regime and those of the cadres and of the Red Army who are less irrational and feel a little bit the prick of conscience have risen to oppose Mao Tse-tung and take part in anti-Mao activities. Recent indications are that members of the pro-Mao gang are also divided among themselves and carrying on an internal life-and-death struggle. All this means that Mao Tse-tung has become an egocentric extremist spurned and rejected by one and all.

In view of this situation, we are firmly convinced that the Anti-Mao National Salvation United Front as advocated by President Chiang Kai-shek is the most effective weapon on that we can use to achieve our objective of counterattack and national recovery and to save both ourselves and the world at large, and that it is also the most important task confronting us in the present stage of our fight for freedom. To overthrow the Mao Tse-tung regime and root out all Maoist thoughts and acts of wickedness through united action on the part of all anti-Maoist patriotic forces is the best way to remove the source of all troubles in Asia and free the world of the danger of war. Therefore, we should like to publicly announce our common determination and the course of action we shall follow.

First, we hereby warmly respond to President Chiang Kai-shek's call for an Anti-Mao National Salvation United Front and, as its loyal members, will take an active part in it. Irrespective of racial, regional, party, religious, or occupational differences, we shall join forces and wholeheartedly support every decision and action it may take. We shall, under the enlightened leadership of the President and with the firm conviction that all persons who are not our enemy are our friends and comrades, work hand in hand with all anti-Mao patriotic forces both on the mainland and abroad to overthrow the Maoist tyrannical regime and liberate our brethren on the mainland.

Second, we shall broaden the scope of our anti-Mao patriotic efforts and promote the formation of a global alliance of all the forces of freedom. The First Conference of the World Anti-Communist League held at Taipei, Taiwan, last September marked the beginning of an international anti-Mao and anti-Communist grand alliance. That conference was an historic milestone and pointed up a new direction in which our efforts should be exerted. We hereby solemnly declare that we shall take full advantage of this critical moment in history by following President Chiang's injunctions as contained in his address before the First Conference of the

World Anti-Communist League, in which he said: "In the past we saw a united Communist bloc attacking a disunited free world. Our task today is to forge a strong chain of the free world nations to rout a divided and self-contradictory Communist bloc." In this way, we shall be marching towards victory in the fight between freedom and slavery. We are firmly convinced that the downfall of the Mao Tse-tung regime will foreshadow the downfall of the Communist bloc as a whole.

Third, on the strength of such a conviction, we shall support all actions favorable to the strengthening of the forces of freedom and oppose all conduct, whether expressed in speech or action, that tends to aid and abet the forces of enslavement. We unreservedly support the firm stand taken by the United States, the Republic of Korea, Thailand, the Philippines, Australia, and New Zealand in defending the freedom of Vietnam and strongly oppose all international intrigues at appeasing and compromising with the aggressor or betraying her independence and freedom. We resolutely support the collective security proposal for the Asian and Pacific region and all concrete anti-Communist concerted actions and strongly oppose fantastic dreams of complacency and isolated security as well as all mistaken notions of each nation fighting on its own. We firmly support the views of all those who think of the Mao Tse-tung regime as essentially weak and fragile and take it as what it is, a paper tiger, and strongly oppose all those who are afflicted with a dreadful fear of the Communist power, or who go out of their way to curry the favor of the Communist bully. We do all this in order not to be cowed by Communist propaganda or to fall victim to the psychological warfare of International Communism. Therefore, we should like to applaud U.S. President Lyndon B. Johnson's repeated declarations of taking a strong stand in Vietnam and Vietnamese President Nguyen Van Thieu's recent demand for continuing to take a firm stand against North Vietnam and the Viet Cong as well as Korean President Park Chung Hee's call for concerted action on the part of the free world, and the Asian nations in particular, to oppose the Communist nuclear threat and expansionism. We are firmly convinced that by following these paths we shall see the victory of freedom and justice.

As President Chiang Kai-shek has pointed out in a passage addressed to the Chinese Communist cadres and soldiers in his New Year message to the nation, "The only way out is for all of you is to rid yourselves of all irresolution, hesitancy, and vain hopes and, with firm determination supported by action, join the Anti-Mao National Salvation United Front. You should concentrate your efforts and form yourselves into organized units. By supporting one another, let us all march hand in hand on the path leading to freedom and light!" We who are assembled at this rally today will not only follow and support the President's instructions, but also urge all our brethren to raise high the flag of the Anti-Mao National Salvation United Front and make concerted efforts for national recovery and reconstruction in order that freedom may emerge triumphant in China, Asia, and the world as a whole.

DRAFT MESSAGE TO THE UNITED NATIONS

(By the Conference of the Republic of China's Various Circles in celebration of the 14th anniversary of Freedom Day and concurrently in promotion of the Anti-Mao Movement for National Salvation)

U.N. Secretary-General and all the Delegations to the United Nations:

In 1954 more than 22,000 anti-Communist Chinese and Korean prisoners of war re-

gained freedom because of the United Nation's insistence on the principle of voluntary repatriation, which shows that if the Free World stands firmly by its position and does not make any concession or do any appeasement in the face of Communist challenge, the intrigues of the Communists will certainly not prevail. Today, we, various circles of the Republic of China, are assembled in Taipei, Taiwan, celebrating enthusiastically the 14th anniversary of Freedom Day of January 23rd. On this occasion we want particularly to appeal to all the freedom- and peace-loving people the world over to pay attention to the fact that the aggression the Chinese Communists committed against the Republic of Korea 14 years ago is now exactly repeated in Vietnam and is pursued only more outrageously. Openly in violation of the United Nations Charter, the Chinese Communists have been so lunatic as to be antagonistic against all the peoples of the world, preparing to wage nuclear war and attempting to destroy the free life of mankind. In order to save mankind from destruction and the nightmare of slavery, all the people the world over have now risen to the challenge, organizing the World Anti-Communist League and launching a worldwide Anti-Communist Movement. It is sincerely hoped that the United Nations will in the same spirit of condemning the Chinese Communists as aggressor in the Korean war and take more effective collective measures to support the peoples now suffering from Communist aggression and persecution and help them struggle for freedom and overthrow Communist tyranny. To do so is to uproot the very source of the current disturbances in the world today and will substantially contribute to the realization of the supreme goal of the United Nations, namely the maintaining of world peace. Moreover, the fact that the United Nations has in the past defeated the Chinese Communists' intrigue to get admitted to the United Nations year after year clearly shows that justice still prevails in the United Nations and that the Free World has rejected the evil regime of the Chinese Communists completely. We, various circles of the Republic of China, are sincerely hopeful that Your Excellency will grasp this new trend of the current world situation and make the spirit of the United Nations Charter further developed and glorified.

DRAFT MESSAGE TO PRESIDENT JOHNSON OF THE UNITED STATES

(By the mass rally of the Republic of China's Various Circles in celebration of the 14th anniversary of Freedom Day and concurrently in promotion of the Anti-Mao Movement for National Salvation)

To His Excellency President Lyndon B. Johnson of the United States:

Mr. PRESIDENT, to-day, we, representatives of various circles of the Republic of China, are assembled here in Taipei to hold a mass rally in memory of the great Freedom Day which symbolizes the struggle of mankind for freedom, want to express our heart-felt appreciation and respect to Your Excellency and the American people for the great efforts and contribution Your Excellency and your people have made in defence of the independence and freedom of Asian nations and of the world's security and peace. Under the harassment of the counter-current of appeasement, Your Excellency have adopted a dignified, solemn responsible-to-history attitude, insisting on the firm position that all the Communist aggressions in Vietnam and other areas must be checked and repulsed. All this has indeed showed the noblest moral courage and fighting spirit of the United States as the leader of the Free World and has stimulated and encouraged the will and determination of this generation of mankind to struggle for freedom and against enslavement.

We are firmly convinced that the defence of freedom in Asia is the very foundation upon which the defense of the world's freedom is based, that Asian problems can be effectively solved only when Asian nations exert themselves more and depend more upon their own strength, and that free Asian nations have a full understanding of Your Excellency's correct measures and thoroughly support and stand by your firm position. Certainly, the Asian people are all the more willing to unify their own forces and shoulder more responsibilities and play a greater and more positive role in defence of Asia's freedom. We sincerely hope that Your Excellency will appreciate the needs of the current Asian situation and help promote the establishment of a working regional security organization in Asia and the Pacific so that much stronger joint actions will be taken to resist and defeat the enemy. We of the Republic of China will, of course, in the light of the current mainland chaos and confusion caused directly by Mao Tse-tung's power-seizure struggle strive to topple the Communist rule and uproot the very source of Asian and world disturbances and troubles so as to contribute to the freedom, peace and prosperity of the world. With great reverence we are sending this message to Your Excellency and please accept our best wishes for your health and victory.

DRAFT MESSAGE TO KOREAN PRESIDENT PARK CHUNG-HEE

(By the Conference of the Republic of China's Various Circles in celebration of the 14th anniversary of Freedom Day and concurrently in promotion of the Anti-Mao Movement for National Salvation)

To His Excellency President of Korea Park Chung-Hee

DEAR MR. PRESIDENT: Freedom Day of January 23rd, which resulted from the regaining of freedom by the Korean and Chinese 22,000-odd anti-Communist prisoners of war in 1954 and has since become a symbol of the glory of human justice and the implementation of the anti-Communist Freedom Day movement, has now lasted 14 years. We, various circles of the Republic of China, have on the occasion of the 14th anniversary of Freedom Day embarked on week's celebrating activities of various sorts enthusiastically, culminating in a great mass rally in celebration of as well as in memory of the great, glorious Freedom Day.

The Republic of Korea under your great capable leadership has not only made remarkable progress at home, resulting in social prosperity, national development and general vigor, but also has sent a great army to Vietnam to help Vietnam fight against Communist aggression so as to assure the security of Southeast Asia—an act of great kindness and justice which has won the admiration and appreciation of the people the world over. However, the very sources of evil—the tyrannical, criminal Chinese Communist and Vietnamese Communist regimes—are still there uncrushed and both your country and ours remain divided. Moreover, the Chinese Communists have repeatedly conducted nuclear explosions in an attempt to cover up the Peking regime's internal split, international isolation and the crisis of its being on the verge of collapse and to pursue its intrigue of nuclear blackmail and intimidation, thus presenting both Asia and the world an unprecedented threat to peace.

Recently, Your Excellency has issued a very great correct and wise call in urging all the nations of the Free World, particularly Asian free nations, to step up their solidarity and cooperation so as to offset the Chinese Communists' nuclear intimidation and cope effectively with their nuclear blackmail by the collective strength of the free nations.

As your country and ours are interdepend-

ent like brothers and have helped each other in times of need, we should strive together for the common goal of uprooting the Communist evil once for all. Moreover, the long-time struggle of the Asian People's Anti-Communist League and the organization of the World Anti-Communist League are remarkable achievements which have resulted primarily from the common efforts of your country and ours.

We of the Free China including both the armed forces and the civilians under the leadership of President Chiang Kai-shek have been striving hard and exerting ourselves unremittingly, keeping vigilance and preparing ourselves all the time and have positively completed all the counter-attack preparations and are now engaged in promoting and developing the anti-Mao movement for national salvation. With great sincerity we are hopeful that Your Excellency will step up mutual help and cooperation between our two countries and will positively help us in establishing an international anti-Communist, anti-Mao united front so that we will at a most opportune time join our forces march north hand in hand, deal a fatal blow to the evil Chinese and Korean Communist regimes, and thus struggle shoulder to shoulder for the supreme goal of recovering our lost territory and saving our peoples from Communist tyranny. With great reverence we are hereby sending this special message to Your Excellency to present our admiration and respect in the hope that you will have a sympathetic understanding of our position.

DRAFT MESSAGE TO THE VIETNAMESE GOVERNMENT AND PEOPLE

(By the Conference of the Republic of China's Various Circles in celebration of the 14th anniversary of Freedom Day and concurrently in promotion of the Anti-Mao Movement for National Salvation)

To His Excellency President Nguyen Van Thieu and His Excellency Vice President Nguyen Cao Ky of the Republic of Vietnam:

Excellencies and all the patriotic anti-Communist Soldiers and People of Vietnam, on the occasion of the various circles of the Republic of China being assembled today Republic of China being assembled today in Taipei, Taiwan to celebrate enthusiastically the 14th anniversary of Freedom Day of January 23rd, we cannot but recall the bloody anti-Communist struggle the Koreans waged 14 years ago and the heroic historical facts of the 20,000-odd Chinese and Korean anti-Communist prisoners of war struggling for freedom; and consequently we cannot but cheer loudly and joyfully for the great victories your people have won under the leadership of Your Excellencies in resolutely crushing Communist aggression, building and developing a democratic government and improving the lives of the people.

The Communists in North Vietnam recently have cried pitifully for peace talks. This strongly proves that the Communist aggression has thoroughly failed in the face of your nation's firm solidarity and insistence on the anti-Communist position and of the cooperative efforts of the United States and other allies. We are convinced that your government and people will definitely not tolerate the Communists' carrying out the intrigue of employing peace talks and war alternately; we are also fully supporting the appeal Your Excellencies have made recently that no nation be allowed to engage in appeasement activities irresponsibly, nor the force of international appeasement be allowed to attempt to appease the Communists. Particularly, we will never tolerate anybody's attempt to sell out the independence of Vietnam and the freedom of the Vietnamese.

In addition to calling upon the Free World not to be fooled by the Communists' intrigue of retreating one step in order to advance two

steps and urging it to step up its military efforts so as to assure a total victory, we are hereby expressing to you our determination to stand firmly with all our armed forces and people behind you so as to uproot the Communist evil jointly. Please also accept our best wishes for the early arrival of the final victory of your anti-Communist struggle.

DRAFT CHEERING MESSAGE TO THE UNITED STATES, AUSTRALIAN, NEW ZEALAND, KOREAN, PHILIPPINE, AND THAILAND OFFICERS AND SOLDIERS NOW FIGHTING IN VIETNAM

(By the mass rally in commemoration of the 14th anniversary of Freedom Day, held in Taipei, Taiwan, Republic of China)

General Westmoreland, Commander-in-Chief of US Forces in Vietnam and all the US, Australian, New Zealand, Korean, Philippine, and Thailand Officers and Enlisted Men Fighting in Vietnam: On the Vietnam battlefield, your struggle and heroic deeds have established a glorious example and great model for all the free peoples of fighting shoulder to shoulder against Communist aggression. Recently the Vietnamese Communists have vaguely hinted at peace talks, indicating that peace talks will begin following the United States' halting its bombing. But the Vietnamese Communists under the control and at the instigation of the Chinese Communists and Russians not only have no sincerity in pursuing peace, but have actually stepped up their subversion and expanded their aggression against Vietnam. Even during the cease-fire periods of Christmas and the New Year, the Vietnamese Communists had mounted attacks repeatedly and violated the cease-fire several hundred times. The anti-Communist struggle in Vietnam will have to continue and escalate with each passing day and will not end until the final victory over the Communists is won. Fortunately, thanks to your nation's armed forces and Australian, New Zealand, Korean, Philippine, and Thailand forces now fighting in Vietnam who have seen through Communist intrigues, fought heroically, decimated the Communists and achieved splendid results repeatedly, not only has the Communist ambition to seize the Vietnamese territory and enslave the Vietnamese people been thoroughly crushed and the security of Southeast Asia been assured, but the morale of the Vietnamese Communists has increasingly deteriorated and withered up due to your nation's stepping up bombing of North Vietnam and thoroughly smashing the Communist industrial facilities and transport systems. Now the Vietnam war as a whole has turned for better with the passing of each day. The great dauntless spirit you have shown in upholding justice and freedom and making sacrifices has not only won the admiration and respect of all our people in the Republic of China and the unanimous applause and appreciation of the freedom-loving people the world over, but will certainly win more and more sympathy and support of the democracies in the Free World, and thus will bring a glorious victory to the Vietnam war in a short time.

Today, we, various circles of the Republic of China, are holding a great mass rally in celebrating enthusiastically the 14th anniversary of Freedom Day of January 23rd and positively promoting the anti-Mao movement for national salvation. In addition to unanimously approving a resolution supporting the United States' sound policy and positive actions in Vietnam and applauding President Johnson's solemn, just statement that the bombing of North Vietnam cannot be halted carelessly and light-mindedly, we are positively working for the establishment of the international anti-Mao, anti-Communist united front in order to stand firmly behind your struggle for the independence and freedom of Vietnam, to wage the strug-

gle jointly to the end, and furthermore, to struggle for the freedom of mankind, thus bringing about a new era of peace and prosperity. Though we are here, far remote from you, we cannot for a single minute forget how heroically and unremittingly you have struggled and fought. It is with the greatest sincerity that we are hereby sending you this message to convey our heart-felt admiration, respect and appreciation to you all.

A GOOD PROGRAM STILL HAS SOME UNHAPPY INEQUITIES

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, the Nashville Tennessean in an editorial published January 2 makes several important points concerning our social security system.

A point often overlooked in thinking of Social Security—

The Tennessean says—

is that it is by no means wholly a program for the elderly. Millions of youngsters—survivors of deceased workers—get benefits today and will continue to do so.

In fact, the amendments signed into law by President Johnson earlier this month represent the biggest increase in dollar benefits since the social security program was begun in 1935. The youngsters will share in these benefits.

This year—

The Tennessean continues—

Social Security will pay out some \$25.2-billion to 24-million Americans. The outlay will rise and include more and more people as time goes by. Estimates of those drawing Social Security benefits of some kind by the year 2000 range from 37 to 42-million.

Mr. Speaker, I insert the Tennessean's editorial in the RECORD at this point:

[From the Nashville Tennessean, Jan. 2, 1968]

A GOOD PROGRAM STILL HAS SOME UNHAPPY INEQUITIES

Late last year, the 90th Congress enacted into law a good many changes in the Social Security program, including various increases. Recipients will be getting fatter checks, but one-fourth of all American workers will feel a heavier tax bite.

The new law raises from \$6,600 to \$7,800 the level of yearly earnings from which the Social Security tax is taken. Thus those who earn more than \$6,600 this year will pay more than they did in 1967, but nobody else will.

The increased bite is not the last. Five times more between 1971 and 1987 the tax rate will increase until it reaches a maximum of 5.9 per cent. That's providing Congress does not revise the figures in the meantime.

This year, Social Security will pay out some \$25.2 billion to 24 million Americans. The outlay will rise and include more and more people as time goes by. Estimates of those drawing Social Security benefits of some kind by the year 2,000 range from 37 to 42 million. That may be a low estimate.

The reasons for this steady climb in the future are several: basic population growth,

a greater total of aged in the population and increased longevity.

All this has caused a good many critics of Social Security to look on the growth of the program with alarm. Some charge that it is at least \$350 to \$400 billion in the red and increases are going to leave it worse. Some of the younger people who are now paying into the program wonder what will happen by the time they are eligible for payments.

The \$300 or so billion figure represents all of the outstanding obligations of the system. It is not due now and couldn't be without having millions of potential beneficiaries becoming eligible overnight for retirement, survivors and disabled benefits.

Present and future income of the system is guaranteed by law and trust funds of the system are more than adequate to take care of higher benefits and revisions.

A point often overlooked in thinking of Social Security is that it is by no means wholly a program for the elderly. Millions of youngsters—survivors of deceased workers—get benefits today and will continue to do so.

The Social Security program serves a real purpose and a need.

There are, of course, inequities in the program. Working wives, for instance, who may pay into the system for years can find, at retirement, they are eligible for only a little more than a neighbor who has never worked at all but who, as a surviving wife, is entitled to a wife's benefits.

There are a good many aspects of the law where the Congress could at least reduce inequities if not wipe them out. It would be a good move for Congress to begin study of the program in detail and provide corrections.

WORLD WAR I DEBTS LONG OWED BUT UNPAID

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, pursuant to the hearings by the House Ways and Means Committee during the closing days of the first session of the 90th Congress and to discussions which I had with Treasury Secretary Fowler in early December concerning World War I debts long-owed but unrepaid this Nation. I am introducing today a resolution calling for new initiatives in collecting these debts.

Subsequent to the discussions in committee, my discussion with Secretary Fowler, and research by my staff, the Library of Congress, and the Treasury Department, it is my belief that the administrative branch of our Government should undertake these initiatives at this time in the manner they feel most appropriate.

However, I do believe that the steps should be taken immediately and am offering this "sense of Congress" resolution to demonstrate that such action has the support of the Congress.

Mr. Speaker, our Government is asking for a tax increase which would cost the American taxpayers in the neighborhood of \$10 billion. The collection of just half the moneys owed the United States on these old debts would more than equal revenues from the proposed tax surcharge. While the two issues are not entirely related, the effect of collection of the moneys would be the same.

I have had prepared a list of those nations with unpaid obligations and the amounts owed by each country. I ask to include the list in the RECORD at this point:

| | Principal, interest due and unpaid as of June 30, 1967 | Unmatured principal | Total outstanding |
|------------------------|--|---------------------|-------------------|
| Armenia | \$40,546,970.35 | No | \$40,546,970.35 |
| Austria | 25,141,913.28 | \$882,626.31 | 26,024,538.59 |
| Belgium | 488,951,077.60 | 197,580,000.00 | 686,531,077.60 |
| Cuba (paid) | 189,642,023.98 | 86,355,000.00 | 275,997,023.98 |
| Czechoslovakia | 28,080,360.81 | 9,007,000.00 | 37,087,360.81 |
| Estonia | (1) | 4,707,000.00 | 4,707,000.00 |
| Finland | 5,077,723,883.14 | 1,772,868,667.43 | 6,850,592,550.57 |
| France | 7,324,459,301.93 | 2,443,000,000.00 | 9,757,459,301.93 |
| Britain | 12,217,376.50 | 21,205,921.00 | 33,423,297.50 |
| Greece | 3,105,536.50 | 1,095,545.00 | 4,201,081.50 |
| Hungary | 1,112,473,909.34 | 1,168,900.00 | 2,281,373,909.34 |
| Italy | 11,575,976.04 | 3,801,800.00 | 15,377,776.04 |
| Latvia | | | |
| Liberia (totally paid) | 10,319,255.58 | 3,487,367.00 | 13,806,622.58 |
| Lithuania | | | |
| Nicaragua (canceled) | 348,334,464.20 | 115,807,000.00 | 464,141,464.20 |
| Poland | 82,906,849.93 | 31,923,000.00 | 14,829,849.93 |
| Rumania | 659,940,665.00 | None | 659,940,665.00 |
| Russia | 51,425,218.78 | 35,389,000.00 | 86,814,218.78 |
| Yugoslavia | | | |
| Germany ¹ | 15,466,844,782.96 | 5,886,009,926.74 | 21,352,854,709.70 |
| | 1,260,923,003.54 | 230,364,960.00 | 1,491,287,963.54 |

¹ No; up to date.

² Debt was denominated in reichsmarks. The U.S. dollar equivalent at time of German default at 40.33 cents to the reichsmark

In my resolution, I have made particular note of the French Republic and the dangerous economic game President de Gaulle is playing in an effort to weaken the American dollar and our economy. I firmly believe that we should give particular attention to the collection of the \$6,850,592,550.57 which France owes this country and hope that my colleagues will join with me in this endeavor, not in a vindictive spirit, but with the feeling that

as these loans were made in good faith, then we have every right to expect that they be honored in the same spirit which they were extended and received.

Mr. Speaker, I include the text of the resolution in the RECORD at this point:

CONCURRENT RESOLUTION

Whereas 16 nations have obligations totaling \$21,352,854,709.70 which are owed to the United States of America for World War I assistance loans; and

Whereas little if any effort has been made on the part of these nations to repay these obligations since 1930; and

Whereas these loans were extended in good faith by the government of the United States of America from taxes collected from the citizens it represents; and

Whereas, our government and our people had then and have now a right to expect that these obligations be met and these debts honored; and

Whereas, certain of these nations, particularly the Republic of France, have recently been engaged in activities designed to weaken the American dollar and our economy: Now, therefore, be it

1. Resolved by the House of Representatives (the Senate concurring), That
2. It is the sense of the Congress that the President of the United States
3. through the Secretary of the Treasury, the Secretary of State and other
4. appropriate government officials initiate immediate steps to
5. recover these monies through an equitable but prompt program of
6. repayment.
7. Resolved, That in undertaking these actions, the President
8. has the support of the Congress.

JERSEY PRIESTS MOVING TO INNER CITY

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. DANIELS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. DANIELS. Mr. Speaker, in the January 18, 1968, edition of the National Register appears a most interesting story of five dedicated priests from the Newark, N.J., archdiocese who are working among the growing Spanish population in my native Jersey City.

One of these dedicated priests is a very good friend of mine, Father Robert S. Call, of St. Michael's Parish, in Jersey City, and his work among the Spanish-speaking community in Jersey City has been nothing short of inspirational. His good work has not been limited to merely working to make life better for our large Spanish community but he has gone far beyond this and has worked to make the whole community aware of the Hispanic culture and traditions of the Spanish community. As is mentioned in the article in the National Register, the Intercultural Center in Jersey City has conducted Spanish lessons for Jersey City police officers. Surely Father Call's efforts are worthy of emulation throughout the Nation.

Mr. Speaker, I strongly urge all Members of this House to read this interesting article which points out what can be done in our so-called inner cities.

The article follows:

JERSEY PRIESTS MOVING TO INNER CITY

JERSEY CITY, N.J.—Five priests are launching an experimental inner city ministry among Jersey City's Puerto Rican population, trying to identify with residents of a poverty-pocket neighborhood assailed by such problems as dislocation by urban renewal.

Archbishop Thomas A. Boland of Newark released four of the priests from parish as-

signments for the experiment. The fifth is a Jesuit from St. Peter's parish.

Monsignor Francis J. Houghton, assistant Chancellor, described the immediate objective of the project as "one of Christian presence or witness, rather than a highly structured program."

"They will just feel their way along," he said.

Monsignor Houghton said the experiment is an outgrowth of work the priests already have been doing in their attempts to serve the estimated 15,000 Spanish-speaking residents of the community.

They will move from their rectories into an apartment house Monsignor Houghton described as being "right in the middle of an urban renewal upheaval."

Archdiocesan priests taking part are Fathers John P. Egan, from St. Boniface's parish; Frederick H. Quinn, St. Bridget's; Robert S. Call, St. Michael's; and James S. A. O'Brien, Christ the King. The fifth member of the team is Father Robert McDonald, S.J., of St. Peter's.

All five have backgrounds particularly suited to their new project; four speak Spanish fluently, Father Egan is a veteran of the archdiocese's mission in Honduras and also served in the experimental parish of San Miguelito in Panama.

Father Call established a program at St. Michael's that has grown into the archdiocesan Institute of Intercultural Communications in Newark, a "crash" training course for priests, religious, and laity who need special instruction in language and cultural background to work effectively with Puerto Ricans. Police officers have been among those to take advantage of the program.

Father O'Brien has been engaged in a special social apostolate in the archdiocese's experimental Marion Gardens project, centered in a predominantly Negro neighborhood.

Two of the group are members of Office of Economic Opportunity boards charged with implementing war on poverty programs.

Father McDonald's assignment to the team recalled the recent directive to U.S. Jesuits from Father Pedro Arrupe, S.J., General of the order, calling for an all-out attack on racial discrimination and poverty. Among Father Arrupe's specific recommendations was establishment of inner city missions such as the new project here.

Father McDonald told the Register the Jersey City experiment might indicate a way Jesuits could be even more effective in living up to Father Arrupe's directive—by cooperating with diocesan efforts wherever and whenever possible.

He added that the priests have no specific "works" in mind, and planned to avoid adoption of specific projects until they feel they have achieved their goal of identification. The obvious pressing problem of the neighborhood, he said, is housing—particularly relocation necessitated by urban renewal.

Housing for the poor has been a matter of increasing concern for the archdiocese. Its special service agency, the Mt. Carmel guild, has been gearing for involvement in a large scale effort to help solve the problem.

A spokesman for the guild said plans are under way for a comprehensive program to meet all the problems associated with housing, including actual construction and structural rehabilitation.

The guild will sponsor a seminar here Feb. 4 for all interested agencies and groups to discuss the human needs the guild feels must be considered in any public housing program.

"Housing construction alone doesn't touch all the other problems involved," he said. "A house, after all, is just a house. Frequently

people need counseling in hygiene, consumer buying, family living, and other things as well as a solid roof."

The guild's housing efforts will attempt to fill these needs as well as provide good, economical places to live, the spokesman said.

The guild, he added, is preparing to build or buy housing to be made available to low income groups, and will draw on its special service resources—ranging from psychiatric specialists to speech therapists—to provide comprehensive counseling for the residents.

"Cities have developed housing in the past," the spokesman said. "After a few months you see it, and frankly it looks like hell. There are other things involved. We want to do it right."

WHEN JOHNNY COMES MARCHING HOME—HE'LL NEED A JOB

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. HOLLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. HOLLAND. Mr. Speaker, President Johnson has, once again, called for increased interest by this Nation in the welfare and future of servicemen and veterans. I stand wholeheartedly behind the principles of that message. The President's message emphasized the American people's genuine appreciation for the services being performed by our fighting men.

There have been commendable accomplishments in this area, but the President's message charts new programs for new needs. The strong emphasis, it appeared to me, was seeing that when our fighting men returned to civilian life that they find meaningful employment. The establishment of U.S. Veterans Assistance Centers in 20 cities across this Nation will provide a central clearinghouse for opportunities and programs that benefit veterans. It is one thing to offer a program but just as important to see that the veteran knows about it.

The proposed Veterans in Public Service Act would open new areas where servicemen may serve. Project 100,000 and Project Transition, the message said, will be expanded to directly assist servicemen in finding meaningful employment and improved stations in life.

And I also want to point out the increased emphasis on having VA hospitals to train medical specialists—an area of great skill shortages.

Measures that would assist the disabled sick veterans include increased bedside counseling, extension of vocational rehabilitation benefits to part-time participants and changes in the law to protect against losses in pensions because of other income.

Two other matters vital to the welfare of our veterans are the increase in maximum guarantee on GI home loans and greater life insurance coverage for servicemen and veterans. Economic changes since these programs were first enacted make it important that this Congress increase these amounts.

I urge my colleagues to give careful and sympathetic consideration to these programs President Johnson recommends. It is important that veterans' benefits are kept abreast of the times and that our fighting men know there is not only solid support back home, but that we are willing to put our money where our mouth is.

SICILIAN EARTHQUAKES

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. WOLFF] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. WOLFF. Mr. Speaker, a natural disaster in the form of a series of violent earthquakes killed hundreds and left thousands more homeless on the island of Sicily earlier this month. All men everywhere extend their sympathy and heartfelt concern to the island of Sicily and the Italian people.

Fortunately we can do more than merely express concern. The United States, in our great tradition of open arms, can help those who lost their homes and livelihoods in the Sicilian earthquakes.

Thus it is that I am today introducing legislation to permit 1,000 victims of the earthquakes and their families to receive special visas to enter the United States. The purpose of this legislation is clear: we can and should extend a helping hand to those uprooted by this natural disaster.

The precedents for such legislation are historical and the need for the United States to act at this time is without question. Thus I urge prompt and favorable consideration of this legislation in recognition of the need for immediate relief for the victims of the Sicilian earthquakes.

CONGRESSMAN GILBERT CONCERNED ABOUT EFFECTS OF ANTIPOVERTY PROGRAM CUTS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. GILBERT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. GILBERT. Mr. Speaker, I vigorously opposed the cutbacks in antipoverty funds in the last session. Some of the unfortunate results, as I had warned the Congress, are spelled out in the following articles from the New York Times of January 28, 1968, and the Wall Street Journal of January 29, 1968. The war against poverty should be expanded, but, instead, needed Job Corps centers are forced to cut back or close altogether. Our very effective Headstart programs are beginning to feel the pinch of the untimely reduction in Federal funds. I

am very concerned that approved community action programs will be discontinued, that plans for additional and urgently needed neighborhood health centers will have to be abandoned, that new programs to benefit the elderly, and other important antipoverty programs will not materialize unless these funds are restored. I call the attention of my colleagues in Congress to the two articles which follow:

[From the New York Times, Jan. 28, 1968]

JOB CORPS TO SHUT 16 YOUTH CENTERS: OTHER POVERTY CUTS PLANNED UNDER BUDGET REDUCTION

(By Joseph A. Loftus)

WASHINGTON, January 27.—Sixteen Job Corps centers will be closed and other elements of the poverty program will be trimmed to accommodate Congressional budget cuts and the Presidential transfer of funds to provide adult employment in the slums.

The retrenchments, worked out by the Office of Economic Opportunity, are subject to White House approval. An announcement is expected by Monday.

The Job Corps operates 124 urban and conservation centers for poor boys and girls, mostly high school dropouts who get basic education and skill training. The corps will be cut at first from 41,000 to 37,000. None of the girls' centers will be closed.

Four thousand youths will be put on administrative leave with the privilege of reentry when space is available. Five thousand will be transferred to other job corps centers.

The plan is eventually to cut the corps to 32,000, through attrition.

OTHER AREAS TO BE CUT

There will be smaller cuts, relatively, in the Neighborhood Youth Corps, which is also operated for poor youths of high school age; in Head Start, which is a pre-school project; and in locally conceived community action programs, legal services and migrant aid.

Some of the money that is saved by these cuts will go to cities that can get under way special summer programs to meet local needs.

Congress appropriated \$1.773-billion for the antipoverty program for the current fiscal year instead of the \$2.06-billion requested by the President.

The fiscal year, which ends June 30, was nearly half over when the money decision was made. As a result, a year's retrenchments have to be compressed into a half year's operations. In addition, some O.E.O. programs, including the Job Corps, had been built up to full strength with the benefit of funds carried over from the preceding year. There are no more carry-overs to sustain these programs.

Earlier this month, President Johnson reshuffled \$134-million in poverty program money. Of that amount, \$106-million went to adult employment programs operated by the Labor Department.

DETAILS ON CUTS

The estimated impact of the cuts from the President's budget plans are as follows:

Head Start will accommodate 13,000 fewer children in its year-round programs. The year-round slots total about 200,000. More than twice that number attend summer Head Start programs.

Legal services will be provided in 60,000 fewer cases.

Locally conceived community action projects will be cut \$35-million to allow special summer programs to be started, principally in the large cities with riot-prone slums.

Rural community action programs will not be cut, but the rural loan program will give assistance to 3,000 fewer families this fiscal year than originally planned.

The Neighborhood Youth Corps will be operated at a level of 400,000 members, a cut of 170,000.

Forty-one neighborhood health centers will continue to operate at present levels but nine centers scheduled for operation this year will not be opened.

Money to expand programs for the elderly, the rural poor, family planning, and improved housing will not be available.

The reallocation will permit a buildup of Follow Through, operated by the Health, Education and Welfare Department for Head Start "graduates."

An emergency food and medical need survey program will be initiated by the Agriculture Department and Public Health Service with antipoverty funds. The amount will be relatively small, a maximum of \$25-million.

VISTA, known as Volunteers in Service to America, or the Domestic Peace Corps, will operate at its present level of 4,250 members and \$30-million.

The urban Job Corps centers marked for closing, and the companies operating them under contract with the Government, are as follows: Custer, Battle Creek, Mich., U.S. Industries, Inc.; Lincoln, Lincoln, Neb., Northern Systems, Inc.; McCoy, Sparta, Wis., R.C.A. Service Company; Rodman, New Bedford, Mass., Science Research Associates, a subsidiary of International Business Machines.

Job Corps conservation centers operated by the Agriculture and Interior departments marked for closing are:

Chippewa Ranch, Mahnomen County, Minn.; Isabella, Lake County, Minn.; Ripton, Addison County, Vt.; Fort Vannoy, Josephine County, Ore.; Iroquois, Orleans County, N.Y.; Lewiston, Trinity County, Calif., Liberty Park, Hudson County, N.J.; McCook, Red Willow County, Neb.; Mexican Springs, McKinley County, N.M., and Poston, Yuma County, Ariz.

Lewis and Clark, operated by the North Dakota Park Service, also is scheduled to close. Another on the closing list, Swiftbird, in South Dakota, has never been opened.

[From the Wall Street Journal, Jan. 29, 1968]

ANTIPoVERTY PROGRAM TO BE CUT SUBSTANTIALLY BY OEO IN FISCAL 1968: REDUCTIONS ARE NECESSARY PARTLY BECAUSE CONGRESS DID NOT VOTE FULL FUNDS REQUESTED BY AGENCY

WASHINGTON.—The Office of Economic Opportunity will make substantial cuts in its antipoverty program in the current fiscal year ending June 30.

The reductions are required because Congress didn't appropriate the full funds requested by the OEO and because of the Administration's transfer of \$106 million in OEO money to other programs administered by the Labor Department.

As one economy step, the OEO will close 16 Job Corps centers, four of them operated by industrial contractors, which are training 6,000 indigent youths. The camp closings, scheduled by March, would reduce the Job Corps enrollment to 35,000 young men and women aged 16 to 21.

The major camps to be closed are: Custer, Battle Creek, Mich., operated by U.S. Industries Inc.; Rodman, New Bedford, Mass., operated by Science Research Associates, a subsidiary of International Business Machines Corp.; Lincoln, Lincoln, Neb., operated by Northern Systems Inc.; McCoy, Sparta, Wis., operated by R.C.A. Service Co. division of Radio Corp. of America.

Other reductions will curtail enrollment of preschool children in the Head Start program and unemployed youths in the Neighborhood Youth Corps, the provision of free legal services for the indigent and the opening of new neighborhood health centers. A

variety of other locally conceived programs administered by community action agencies also will be substantially curtailed.

The reductions are required by a complexity of factors. The President's proposed OEO budget of \$2,060,000,000 for the fiscal year was cut back by Congress to \$1,775,000,000. At that time, OEO director Sargent Shriver said that the sum was only \$15,000,000 short of the amount required to continue the anti-poverty efforts without serious reductions.

However, subsequent to launching a big new adult training program in cooperation with private industry, the Administration switched \$106 million from the OEO to the Labor Department. On top of this, the White House is requiring the OEO to set aside an additional \$35 million for special job-training efforts this summer.

The agency's outlook for substantially increased appropriations in the coming fiscal year is probably poor in view of Congress' current economy drive. Some officials are hopeful, however, that protests from cities and other OEO clients would stir Congress to greater generosity, perhaps through a supplemental appropriation this year to reverse some of the announced cutbacks.

But the OEO currently plans to reduce its fiscal 1968 outlays for preschool Head Start programs by \$14 million to \$327 million. The cut means that 13,000 fewer children will be enrolled in year-long Head Start programs that were to aid 200,000.

Neighborhood Youth Corps outlays will be curtailed \$30 million to \$321 million, eliminating 170,000 youths from its planned 400,000 total. This program furnishes part-time and full-time work for school dropouts or youths who need extra funds to stay in school.

The OEO's legal services would be cut by \$3 million and its neighborhood health program by \$3 million to \$6 million.

The other cutbacks required in local community action agencies may turn out to provoke the most protest on the local level. These agencies are locally organized and operated groups that conduct a variety of anti-poverty programs, some determined by Congress but others initiated on the local level. To live within its budget, the OEO said it would be required to cut the outlays for locally planned community action endeavors by an average of 10% and in some cities as much as 25%.

THE 50TH ANNIVERSARY OF UKRAINIAN PROCLAMATION OF INDEPENDENCE

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MURPHY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. MURPHY of New York. Mr. Speaker, today we celebrate the 50th anniversary of the Ukrainian proclamation of independence. On January 22 in 1918, after two and one-half centuries of foreign oppression and domination, the Ukraine nation became independent.

The Soviet Union recognized the new state, but at the same time made plans to attack it. Shortly thereafter Russia launched a large-scale military assault against the Ukraine which lasted more than 3 years, and the Ukraine has been under Communist domination ever since.

But while Ukrainian independence was

but a brief flash of time in three centuries of foreign domination, the spirit of freedom continues to burn in the hearts of the Ukrainian people. Over the years, uprisings and resistance movements such as the underground resistance warfare waged by the Ukrainian insurgent army against both the Nazis and the Bolsheviks gave proof that the desire for freedom remained.

The Russian response to any expression of freedom has been brutal. Every uprising was followed by mass trials of Ukrainian patriots, mass deportation of Ukrainians to Siberia, and systematic genocide of the Ukrainian people. Khrushchev stated at the 20th Congress of the Communist Party in 1950 that Stalin had planned the total annihilation of the Ukrainian people for their resistance to Russia.

It is the policy of this Nation to work for the eventual freedom of the Ukraine and the other captive nations behind the Iron Curtain; we should take this opportunity today to reaffirm our commitment to their freedom. We should also rededicate ourselves to the rights of freedom and self-determination for which we ourselves once fought.

It is a pleasure to join my colleagues today in celebrating the 50th anniversary of Ukrainian independence.

PRESIDENT JOHNSON'S INSURANCE PANEL URGES PROTECTION FOR AMERICAN CITY DWELLERS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BINGHAM] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. BINGHAM. Mr. Speaker, the riots of last summer underscored the human tragedy of those innocent victims caught in the wake of senseless destruction.

For those whose homes, property and businesses were destroyed, it has been a long, cold winter. Many of those hardest hit were without adequate insurance coverage.

The problem of insuring those who live in our inner cities led President Johnson to summon a special National Advisory Panel on Insurance to study the problem and propose recommendations.

These recommendations have now been announced. And in President Johnson's words:

The work of this Panel deserves the highest thanks of the nation.

The Panel rightly noted that insurance is a basic necessity for responsible property owners and is vital to the rebuilding of our cities:

Insurance can provide a powerful incentive for homeowners and businessmen to rehabilitate their own property and, in that way, to improve their community.

One of the Panel's key proposals is that a series of steps "should be under-

taken to meet special problems of the urban core insurance market, including programs to recruit and train urban core residents to be insurance agents and to fill personnel needs at all levels of the insurance business."

It also recommends that the Federal Government create a National Insurance Development Corporation to "support the efforts of the insurance industry and the States in achieving the important goal of providing adequate insurance for our cities."

I join with the President in hoping that these recommendations will be swiftly implemented. We must end inadequate insurance coverage conditions in our cities. And the efforts of this administration are focused on accomplishing this important purpose.

Last year I submitted legislation to aid in making property insurance available at reasonable rates to residents and businessmen in inner city areas. I worked with the Honorable Herman Badillo, borough president of the Bronx in this matter. Therefore, I am particularly pleased to see this comprehensive report and recommendations for Federal action in this field.

While I support the type of long-range solutions described in the report, I still believe that a short-range Federal program of federally underwritten reinsurance should be undertaken to meet immediate needs.

HUMAN RIGHTS—EQUAL JUSTICE FOR ALL

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. TENZER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. TENZER. Mr. Speaker, the President in his message to Congress on the state of the Union outlined his recommendations for additional civil rights legislation. These legislative proposals are intended to strengthen the individual rights of every American citizen—the right to a fair trial by jury, the right to equal opportunity in seeking employment, the right to protection against the violent interference with an individual's civil rights, and the right to equal opportunity to find housing accommodations.

But while the President stressed the need for civil rights legislation, no mention was made of the need for human rights legislation. The individual human and civil rights of people throughout the world vary from country to country. But one important factor does not vary—the desire of all people to enjoy the fruits of freedom.

As a member of the House Judiciary Committee, I am firmly committed to the proposition that there is a need for additional legislation to assure equal justice and equal opportunity for every American. But as an American my com-

mitment goes further. I firmly believe there is a need to strengthen the individual rights of all people throughout the world.

On January 15, 1968, I sponsored House Resolution 1020 expressing the sense of the House of Representatives that the United States should ratify four human rights conventions to assure our effective participation in the celebration of International Human Rights Year. The four conventions now pending before the Senate Committee on Foreign Relations are:

First. The Prevention and Punishment of the Crime of Genocide;

Second. The Abolition of Forced Labor;

Third. The Political Rights of Women; and

Fourth. Freedom of Association and Protection of the Right To Organize.

These four conventions all relate to basic human rights. Rights which are fundamental to all people in their search for freedom. Yet these conventions have been pending for as long as 20 years in the Senate Foreign Relations Committee. The conventions have been ratified and approved by between 50 and 80 nations. Of the major nations of the world, the United States remains conspicuously absent.

Deserving of particular mention in this, the year of international human rights, is the Genocide Convention. Ever since former President Truman submitted the Genocide Convention to the Senate for that body's advice and consent, the treaty has been hopelessly bogged down in committee. It is indeed to the discredit of the other body and a source of shame to the people of the United States that this Government has permitted a bill of such major national and international importance to wallow in the mire of political obscurity for 20 years. It is indeed shocking, that the United States has not become a party to such a humanitarian convention.

The right of a people to enjoy the fruits of freedom means more than the right to political freedom. It means the right to spiritual, cultural, physical, and religious freedom. There can be no doubt that any government which pursues a program calculated to destroy the means of spiritual and cultural survival, and to break the will of a people to worship in a manner of their own choosing, not only violates fundamental human rights but is contrary to the guarantees of international and moral law. Such a policy of spiritual and cultural intimidation and suppression must be protested by everyone who values the human rights of all individuals and all groups everywhere.

Mr. Speaker, my resolution, cosponsored by 19 Members of the House of Representatives, recognizes the responsibility of the Senate to take immediate action on these conventions. The United States can no longer remain silent on issues of such major importance. The arbitrary and unreasonable inequities imposed on the Soviet Jews, the Ukrainians, and all other suppressed people throughout the world is a matter of great concern to the people of the United

States. Yet we are unable before the United Nations to invoke the terms of the Genocide Convention because we are not a party to it.

In this year of international human rights, I urge my colleagues in both the House and the Senate to recognize the need for increased civil and human rights. I am hopeful that in 1968, the overwhelming majority of the Congress will support the early passage of the President's civil rights legislation. I am also hopeful, that the other body, which has the constitutional responsibility for ratifying treaties, will inhale the spirit of International Human Rights Year, and take favorable action on the aforementioned four human rights treaties.

ADDITIONAL BENEFITS FOR VETERANS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Maine [Mr. KYROS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. KYROS. Mr. Speaker, I was privileged to support legislation enacted only a few months ago which did away with many of the inequities in benefits for servicemen.

In a special message to Congress last January, the President asked that veterans of all wars—including Vietnam, Korea, and the so-called cold war—be given equal benefits.

That legislation was signed by President Johnson on August 31, 1967.

Now the President has asked, in a second special message on veterans affairs, for additional legislation on veterans benefits.

I will support these proposals with equal enthusiasm. I submit that we must act on the President's new proposals or the veterans benefits we have enacted in the past will rapidly fade away.

In a bill passed by the House on December 15, 1967—H.R. 12555—we sought to insure that veterans receiving pensions are protected against loss as a result of increases in other income such as social security. This provision of the bill, plus the increased payments to pensioners it authorizes, recognized that veterans too should share in the rising standard of living in this Nation and that they too are affected by rising costs.

We must recognize also that the same amount of life insurance authorized during World War I is not adequate for today's servicemen.

Unless new legislation is enacted, many of our veterans will meet a growing problem when they try to buy a home under the GI bill. The average price of homes purchased on GI loans has doubled over the past 18 years—from \$8,720 in 1950 to \$17,605 today—while the maximum amount VA is allowed to guarantee remains at \$7,500. This sign of the times must be read—and acted on.

Still another sign of the times is the rapidly vanishing space in which our deceased veterans can be honored in death.

I strongly support the President's proposal that responsibility for veterans cemeteries be given to the Administrator of Veterans Affairs.

The President has outlined the needs clearly. Let us be equally clear in demonstrating that benefits for servicemen will be worth as much for Vietnam veterans as they were for veterans of World War II.

BILL TO ADMIT ITALIAN DISASTER VICTIMS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. FARSTEIN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FARSTEIN. Mr. Speaker, today, I am introducing special legislation authorizing the immediate entry into the United States of 5,000 natives of Italy who have lost their homes and livelihood because of the recent, tragic earthquakes in Sicily. Under this legislation, spouses and unmarried children under 21 years of age would be allowed entry, but would not be counted under the 5,000 limitation.

Mr. Speaker, I believe this is the least we can do. The United States has traditionally opened its doors to the distressed victims of disasters. We surely cannot stand by and ignore the calamity that has befallen these people.

Precedent for such legislation was clearly established in 1958 when a similar bill helped Portuguese victims in the Azores. The present situation is equally as tragic and requires prompt action to aid those who have lost their homes and jobs.

Current immigration laws prohibit many of these refugees from entering the United States because of the 20,000-per-year country limitation. This legislation would exempt these refugees from this limitation.

Mr. Speaker, these refugees would not be given carte blanche entry. Prospective immigrants would still have to fulfill the eligibility requirements established under present law. The bill is aimed primarily at exempting the victims of this unfortunate disaster from normal country quota limitation.

Finally, let me simply observe that many of these Sicilians have relatives in the United States. We would then not only be helping victims of this disaster, but would also be reuniting many families. I urge early passage of this legislation.

FEDERAL EMPLOYEE STATUS FOR TECHNICIANS EMPLOYED BY NATIONAL GUARD UNITS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. TIERNAN. Mr. Speaker, today, I am introducing legislation to provide Federal employee status for technicians employed by the National Guard Units in our 50 States, the District of Columbia, and Puerto Rico.

At the present time, there are approximately 40,000 National Guard technicians but their employee status is neither fish nor fowl. Their salary is paid by the Federal Government yet they are considered employees of the State Guard. The fact is that they have not been adequately provided for by the State or the Federal Government.

My bill enables these National Guard technicians to be eligible for various Federal employee benefits such as coverage under the Federal Civil Service Retirement Act, health benefits insurance and group life insurance.

Another benefit available under this bill is overtime pay rates now in effect for other Federal employees. Presently, these technicians receive only compensatory time off which at best is inadequate and unpredictable.

Mr. Speaker, the House enacted this legislation last year, but unfortunately, the Senate eliminated it when H.R. 2 was considered. I think that we should act on this proposal as soon as possible in order that our colleagues in the other body know of our concern to correct this obviously muddled situation.

HEALTH MANPOWER

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. TIERNAN. Mr. Speaker, the Federal cochairman of the New England Regional Commission, John J. Linnehan, of Haverhill, Mass., recently announced an outstanding demonstration project in the field of health manpower. The project has a twofold purpose: it will attempt to train the hard-core unemployed in the health manpower field, thus, relieving the serious shortage of personnel in this critical field.

I recently had the pleasure to present testimony to the Commission and at that time, I urged them to act in a number of areas. The Commission, under the capable and aggressive leadership of Mr. Linnehan, has now initiated the first of what I hope will be many enlightened programs. It is only by serving as a catalyst for action that the Commission can benefit—not only Rhode Island, but all of New England.

The Providence Evening Bulletin has said that this project "is probably the most urgent that could be found." I am sure that all of us who represent New England will be interested in its outcome. Under unanimous consent I place this editorial of January 16 in the RECORD at this point:

FERTILE FIELD

The New England Regional Commission, in launching its first demonstration project, has chosen a field that is probably the most

urgent it could find. The project will try to train people from the "hardcore unemployed" for sub-professional level jobs in hospitals.

The program will, in a limited way, grapple with the continuing problem of people who are too unskilled or unmotivated to find jobs even in an era of high employment. Presumably, it will dip into the pool of Negro unemployed and thus try to find a way of easing tensions stemming from idleness in the urban ghettos. At the same time, it will be doing something positive about the shortage of personnel that hampers most hospitals today.

The program, as announced by the commission, will take time to produce results. First must come the training of teachers. To do this job, two persons from each of the New England States will be sent to a course of instruction at the Lemuel Shattuck Hospital in Boston. After training, they will return to their respective states to set up and operate actual training courses for the unemployed. Meanwhile, a demonstration course for 100 of the unemployed will be conducted immediately in Boston to prepare trainees for jobs in Boston hospitals and medical centers.

More and more hospitals are trying to turn over routine or sub-professional work to less skilled workers, in order to conserve the energies and services of the registered nurses and even the practical nurses. As medicare and medicaid swell the demands for hospital treatment, the shortage of nurses has been growing more critical. If the training of hardcore unemployed can be fitted to the acknowledged need of hospitals, the commission will have made a valuable contribution. Even if the demonstration program is successful, it will need proliferation in order to make a substantial corps of workers available. But the pattern is promising.

REIMBURSE STATES FOR COST OF FEDERAL-INTERSTATE HIGHWAY SYSTEM AND ELIMINATE TOLLS

The SPEAKER pro tempore (Mr. GETTYS). Under previous order of the House, the gentleman from New York [Mr. McCARTHY] is recognized for 30 minutes.

Mr. McCARTHY. Mr. Speaker, a drive to free some 2,350 miles of toll roads, bridges and tunnels on the Federal interstate highway network was launched today. Along with 12 other Members of this House, I introduced a bill to reimburse States for the original cost of such facilities. An identical bill is being introduced in the Senate by Senator A. S. MIKE MONRONEY and other Senators.

Introduction of the bill reopens a decade-long controversy over reimbursement for road facilities built before Congress enacted the payment formula of 90-percent Federal funds to 10-percent State funds for construction of interstate highways.

The first crack in the toll dike came last week when the House Public Works Committee approved an \$81 million plan to enable West Virginia to condemn and acquire the right-of-way of its two-lane turnpike and thus lift its tolls.

This action opens the way for action to free other toll facilities.

Federal Highway Administrator Lowell Bridwell told our committee the Department of Transportation takes the position that there can be no reimbursement for toll roads until after the Interstate system is completed in the mid-1970's.

I do not quarrel with this approach,

but if this is what we are going to do, now is the time to begin.

Most of these toll facilities are financed by revenue bonds of higher cost than either the general or limited obligation bonds used to finance nontoll facilities. The tollpayer in these States faces, in addition to the amortization of road construction and maintenance costs, the following:

First. Cost of toll collection, personnel and machinery, estimated at \$30,000,000 in 1965.

Second. Siphoning off of toll funds to airports, dock terminals, bus terminals, warehouses, railroads, skyscrapers, cultural centers, nonhighway needs of local communities and the general revenue fund of a State.

Third. Loss of otherwise-provided Federal aid for nontoll facilities.

Fourth. The curtailment of private enterprise development along the corridor of the toll facilities.

Although it was clearly the sense of Congress in the Federal Highway Act of 1956 that the Interstate System be integrated and toll free, it is not; and under present law the Federal Government cannot make it so.

Instead of an integrated system, we have one in which, all too often, two interstate highways intersect without a direct connection between them, because one is toll, the other toll free.

In 1956, the Congress foresaw a free system based on the premise that the national interest is always best served by free rather than toll facilities. It was to be financed by a trust fund supported by user taxes.

Eighteen States, though, are now forced to pay tolls on interstate highways. What, in effect, they are paying for is the initiative and foresight of those States in building these roads prior to Federal funding.

After Federal funding in 1956, however, the trend did not reverse.

The House Public Works Committee found last year that a resurgence of toll road facilities has occurred since 1960 and that this trend is exceedingly undesirable.

Cosponsors of the Interstate Free Highway Act of 1968 are as follows:

Representative WILLIAM L. ST. ONGE, Democrat, of Connecticut.

Representative JONATHAN B. BINGHAM, Democrat, of New York.

Representative CHARLES A. VANIK, Democrat, of Ohio.

Representative THADDEUS J. DULSKI, Democrat, of New York.

Representative CARLETON J. KING, Republican, of New York.

Representative HERBERT TENZER, Democrat, of New York.

Representative BENJAMIN S. ROSENTHAL, Democrat, of New York.

Representative HENRY HELSTOSKI, Democrat, of New York.

Representative ROBERT N. C. NIX, Democrat, of Pennsylvania.

Representative CARL D. PERKINS, Democrat, of Kentucky.

Representative DANIEL E. BUTTON, JR., Republican, of New York.

Representative LEONARD FARSTEIN, Democrat, of New York.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DEL CLAWSON (at the request of Mr. GERALD R. FORD), for January 31 and the balance of the week, on account of official business.

Mr. CLEVELAND (at the request of Mr. GERALD R. FORD), for today through February 10, 1968, on account of official business.

Mr. FOUNTAIN (at the request of Mr. ALBERT) for today, January 30, 1968, on account of illness.

Mr. BROOMFIELD (at the request of Mr. GERALD R. FORD), for tomorrow, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FISHER, for 20 minutes, today, to revise and extend his remarks and include extraneous matter.

Mr. RANDALL, for 10 minutes, today; to revise and extend his remarks and include extraneous matter.

Mr. HALPERN (at the request of Mr. VANDER JAGT), for 10 minutes, today; to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. TIERNAN) to revise and extend their remarks and include extraneous matter:)

Mr. McCARTHY, for 30 minutes, today.

Mr. RANDALL, for 10 minutes, January 31.

Mr. WOLFF, for 60 minutes, on February 1.

EXTENSIONS OF REMARKS

By unanimous consent, permission to extend remarks was granted to:

Mr. CELLER in two instances and to include extraneous matter.

Mr. DORN in two instances and to include extraneous matter.

Mr. MCCORMACK (at the request of Mr. ALBERT) in two instances.

Mr. MCCORMACK (at the request of Mr. ALBERT) to extend his remarks following reading of the President's message on veterans' legislation.

Mr. ALBERT to extend his remarks following the Speaker's remarks on veterans' legislation.

Mr. EDMONDSON in two instances and to include extraneous material.

Mr. ADAIR following the remarks of Mr. TEAGUE of Texas upon the reading of the President's message concerning veterans.

Mr. SAYLOR to extend his remarks following Mr. ADAIR following the message of the President.

Mr. SAYLOR in the body of the RECORD.

Mr. WYMAN to extend his remarks immediately following the conclusion of legislative business and to include extraneous matter.

(The following Members (at the request of Mr. VANDER JAGT) and to include extraneous matter:)

Mr. KEITH.
Mr. SCHADEBERG.

Mr. CONABLE.

Mr. AYRES.

Mr. BRAY in three instances.

Mr. CONTE in four instances.

Mr. PETTIS.

Mr. ESCH.

Mr. DERWINSKI.

Mr. BOW in three instances.

Mr. WATSON.

Mr. BURKE of Florida.

Mr. BLACKBURN.

Mr. LIPSCOMB.

(The following Members (at the request of Mr. TIERNAN) and to include extraneous matter:)

Mr. GILBERT in two instances.

Mr. BROWN of California.

Mr. MONAGAN.

Mr. LONG of Maryland.

Mr. WALKER in two instances.

Mr. CELLER.

Mr. MOORHEAD.

Mr. RARICK in three instances.

Mr. DOW.

Mr. DULSKI in two instances.

Mr. SLACK.

Mr. NIX.

Mr. BURKE of Massachusetts.

Mr. DINGELL in two instances.

Mr. BOLAND in two instances.

Mr. BOLLING.

Mr. SHIPLEY.

Mr. GONZALEZ in three instances.

Mr. PRYOR.

Mr. EILBERG.

Mr. COHELAN.

Mr. DANIELS.

Mr. MILLER of California in six instances.

ADJOURNMENT

Mr. TIERNAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 25 minutes p.m.) the House adjourned until tomorrow, Wednesday, January 31, 1968, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1420. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; to the Committee on Banking and Currency.

1421. A letter from the president, Potomac Electric Power Co., transmitting a copy of a balance sheet of Potomac Electric Power Co., as of December 31, 1967, pursuant to the provisions of 37 Stat. 979; to the Committee on the District of Columbia.

1422. A letter from the Director, Peace Corps, transmitting a draft of proposed legislation to amend further the Peace Corps Act; to the Committee on Foreign Affairs.

1423. A letter from the Comptroller General of the United States, transmitting a report of examination of financial statements fiscal year 1967, Tennessee Valley Authority (H. Doc. No. 209); to the Committee on Government Operations and ordered to be printed.

1424. A letter from the Assistant Secretary of the Interior, transmitting a draft of

proposed legislation to authorize appropriations for the saline water conversion program, to expand the program, and for other purposes; to the Committee on Interior and Insular Affairs.

1425. A letter from the Director of Personnel, U.S. Department of Justice, transmitting a report covering GS-16 and GS-17 positions authorized for use by the Attorney General, pursuant to the provisions of section 5114(a) of title 5, United States Code; to the Committee on Post Office and Civil Service.

1426. A letter from the Chairman, U.S. Atomic Energy Commission, transmitting a draft of proposed legislation to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHNSON of California: Committee of conference. S. 1788. An act to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments (Rept. No. 1065). Ordered to be printed.

Mr. PERKINS: Committee on Education and Labor. H.R. 11308. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965; with amendment (Rept. No. 1066). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on Disposition of Executive Papers. House Report No. 1067. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. SISK: Committee on Rules. House Resolution 1048. A resolution providing for the consideration of H.R. 6157. A bill to permit Federal employees to purchase shares of Federal- or State-chartered credit unions through voluntary payroll allotment (Rept. No. 1068). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 14922. A bill to amend Public Law 90-60 with respect to judgment funds of the Ute Mountain Tribe; to the Committee on Interior and Insular Affairs.

By Mr. BUCHANAN:

H.R. 14923. A bill to provide flexible interest rates for mortgages insured by the Federal Housing Administration; to the Committee on Banking and Currency.

By Mr. BURKE of Massachusetts:

H.R. 14924. A bill to amend the tariff schedules of the United States to provide that the amount of groundfish imported into the United States shall not exceed the average annual amount thereof imported during 1963 and 1964; to the Committee on Ways and Means.

H.R. 14925. A bill to amend title V of the Social Security Act so as to extend and improve the Federal-State program of child-welfare services; to the Committee on Ways and Means.

By Mr. DENNEY:

H.R. 14926. A bill to amend section 127 of title 23 of the United States Code relating to vehicle weight and width limitations on the Interstate System, in order to make certain

increases in such limitations; to the Committee on Public Works.

By Mr. DONOHUE:

H.R. 14927. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. EILBERG:

H.R. 14928. A bill to amend title 5, United States Code, to permit the immediate retirement of employees separated from the service after becoming 55 years of age and completing 25 years of service; to the Committee on Post Office and Civil Service.

By Mr. FARSTEIN:

H.R. 14929. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 14930. A bill to amend the Fair Labor Standards Act of 1938 to maintain at \$500,000 the annual dollar volume test for coverage by that act of the employees of certain enterprises engaged in commerce; to the Committee on Education and Labor.

By Mr. MIZE:

H.R. 14931. A bill to establish the calendar year as the fiscal year of the U.S. Government; to the Committee on Government Operations.

By Mr. NELSEN:

H.R. 14932. A bill to amend title 23, United States Code, in regard to the obligation of Federal-aid highway funds apportioned to the States; to the Committee on Public Works.

By Mr. NIX:

H.R. 14933. A bill to modify certain provisions of title 39, United States Code, relating to hours of work and overtime for certain employees in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NIX (for himself and Mr. OLSEN):

H.R. 14934. A bill to reduce from five to four the ratio of career substitute employees to regular employees in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NIX (for himself, Mr. OLSEN, Mr. CUNNINGHAM, Mr. GROSS, Mr. DERWINSKI, Mr. DANIELS, Mr. BRASCO, and Mr. BROYHILL of North Carolina):

H.R. 14935. A bill to amend title 39, United States Code, to regulate the mailing of master keys for motor vehicle ignition switches, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PELLY:

H.R. 14936. A bill to reimburse owners of vessels of the United States for losses and costs incurred incident to the seizure of such vessels by foreign countries, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ROYBAL:

H.R. 14937. A bill to amend the Public Health Service Act to provide for a comprehensive review of the medical, technical, social, and legal problems and opportunities which the Nation faces as a result of medical progress toward making transplantation of organs and the use of artificial organs a practical alternative in the treatment of disease, and to amend the public Health Service Act to provide assistance to certain non-Federal institutions, agencies, and organizations for the establishment and operation of regional and community programs for patients with kidney disease and for the conduct of training related to such programs; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H.R. 14938. A bill to limit the Administrator's authority to adjust premium rates on insurance issued under section 725(b) of title 38, United States Code, and to authorize the payment of dividends on such insurance after 5 years; to the Committee on Veterans' Affairs.

H.R. 14939. A bill to amend section 411 of title 38, United States Code, to provide addi-

tional dependency and indemnity compensation payments to widows with one or more children; to the Committee on Veterans' Affairs.

By Mr. MORGAN:

H.R. 14940. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Affairs.

By Mr. GALLAGHER:

H.R. 14941. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Affairs.

Mr. FRASER:

H.R. 14942. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Affairs.

By Mr. BARRETT:

H.R. 14943. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania:

H.R. 14944. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. CORMAN:

H.R. 14945. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 14946. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. GALLAGHER:

H.R. 14947. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. HOWARD:

H.R. 14948. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. LEGGETT:

H.R. 14949. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H.R. 14950. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 14951. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. SCHWEIKER:

H.R. 14952. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. BLACKBURN:

H.R. 14953. A bill to amend title 23, United States Code, in regard to the obligation of Federal-aid highway funds apportioned to the States; to the Committee on Public Works.

By Mr. BROWN of California:

H.R. 14954. A bill to amend title 38 of the United States Code to improve vocational rehabilitation training for service-connected veterans by authorizing pursuit of such training on a part-time basis; to the Committee on Veterans' Affairs.

H.R. 14955. A bill to provide special encouragement to veterans to pursue a public service career in deprived areas; to the Committee on Veterans' Affairs.

By Mr. BURTON of California:

H.R. 14956. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 14957. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 14958. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.R. 14959. A bill to amend the Federal Food, Drug, and Cosmetic Act to prescribe penalties for the possession of depressant, stimulant, and hallucinogenic drugs by unauthorized persons, to increase penalties for the unauthorized sale, delivery, or disposition of such drugs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FEIGHAN:

H.R. 14960. A bill to provide for the expeditious naturalization of the surviving spouse of a U.S. citizen who dies while serving in an active duty status in the Armed Forces of the United States; to the Committee on the Judiciary.

By Mr. HALEY:

H.R. 14961. A bill to amend chapter 55 of title 10, United States Code, to provide health benefits for the dependents of war veterans who die of a service-connected disability; to the Committee on Armed Services.

By Mr. McCARTHY (for himself, Mr. ST. ONGE, Mr. BINGHAM, Mr. VANIK, Mr. DULSKI, Mr. KING of New York, Mr. TENZER, Mr. ROSENTHAL, Mr. HELSTOSKI, Mr. NIX, Mr. PERKINS, Mr. BUTTON, and Mr. FARSTEIN):

H.R. 14962. A bill to authorize reimbursement to the States for certain toll highways, bridges, and tunnels on the Interstate System, and for other purposes; to the Committee on Public Works.

By Mr. McCLOSKEY:

H.R. 14963. A bill to authorize the Secretary of the Interior to designate the Skyline National Parkway in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 14964. A bill to authorize the establishment of the site of the discovery of San Francisco Bay as a national historic site, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 14965. A bill to provide for the appointment of additional circuit judges; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.R. 14966. A bill to provide for improved employee-management relations in the Federal services, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RONAN:

H.R. 14967. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. WOLFF:

H.R. 14968. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. ZWACH:

H.R. 14969. A bill to direct the Interstate Commerce Commission to make regulations that certain railroad vehicles be equipped with reflectors or luminous material so that they can be readily seen at night; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI:

H.R. 14970. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. OTTINGER (for himself, Mr. RODINO, Mr. CONYERS, Mr. CORMAN, Mr. ROYBAL, Mr. HALPERN, Mr. SCHEUER, Mr. BUTTON, Mr. THOMPSON of New Jersey, Mr. HELSTOSKI, Mr. ADAMS, Mr. DANIELS, Mr. DULSKI, Mr. KUPFERMAN, Mr. GREEN of Pennsylvania, Mr. MINISH, Mr. BINGHAM, Mr. GILBERT, Mr. BRASCO, Mr. DINGELL, and Mr. FARSTEIN):

H.R. 14971. A bill to amend the Federal Power Act to facilitate the provision of reliable, abundant, and economical electric power supply by strengthening existing mechanisms for coordination of electric utility systems and encouraging the installation and use of the products of advancing technology with due regard for the preservation

EXTENSIONS OF REMARKS

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and enhancement of the environment and conservation of scenic, historic, recreational, and other natural resources; to the Committee on Interstate and Foreign Commerce.

By Mr. RUPPE:

H.R. 14972. A bill to permit Canadian trawlers to harvest alewives in Lake Michigan; to the Committee on Merchant Marine and Fisheries.

By Mr. TIERNAN:

H.R. 14973. A bill to clarify the status of National Guard technicians, and for other purposes; to the Committee on Armed Services.

By Mr. BEVILL:

H.J. Res. 1022. Joint resolution proposing an amendment to the Constitution of the United States relating to employment of subversives in defense facilities; to the Committee on the Judiciary.

By Mr. AYRES:

H.J. Res. 1023. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. BROYHILL of North Carolina:

H.J. Res. 1024. Joint resolution to suspend for the 1968 campaign the equal opportunity requirements of section 315 of the Communications Act of 1934 for nominees for the offices of President and Vice President; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNE of Pennsylvania:

H.J. Res. 1025. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. GIBBONS (for himself, Mr. FASCELL, Mr. FUQUA, Mr. GURNEY, Mr. PEPPER, Mr. ROGERS of Florida, and Mr. SIKES):

H.J. Res. 1026. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. NELSEN (for himself, Mr. QUIE, Mr. LANGEN, and Mr. MacGREGOR):

H.J. Res. 1027. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. SCHNEEBELI:

H.J. Res. 1028. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H.J. Res. 1029. Joint resolution to assist Vietnam veterans in obtaining suitable employment; to the Committee on Post Office and Civil Service.

By Mr. DOW:

H. Res. 1049. Resolution directing the Committee on the Judiciary to conduct an investigation of organized crime in the United States; to the Committee on Rules.

By Mr. EVINS of Tennessee:

H. Res. 1050. Resolution providing for further expenses of conducting the study and investigation authorized by House Resolution 53; to the Committee on House Administration.

By Mr. MATSUNAGA:

H. Res. 1052. Resolution creating a non-legislative select committee to conduct an investigation and study with respect to the adoption of an official lapel button for Members of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

304. Mr. BERRY presented a concurrent resolution memorializing the Congress of the United States to give prior consideration to the development and use of the waters of the upper Missouri River Basin in the upper Great Plains States including the State of South Dakota before authorizing the funding of the diversion of such waters to other States, which was referred to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ANNUNZIO:

H.R. 14974. A bill for the relief of Thelma Fuentes; to the Committee on the Judiciary.

By Mr. BURTON of California:

H.R. 14975. A bill for the relief of Ponciano Salvador; to the Committee on the Judiciary.

By Mr. FARBECK:

H.R. 14976. A bill for the relief of Giuseppe Geraci; to the Committee on the Judiciary.

By Mr. GERALD R. FORD:

H.R. 14976. A bill for the relief of Gene W. Vogel; to the Committee on the Judiciary.

By Mr. FRASER:

H.R. 14978. A bill for the relief of Eric W. Bauer; to the Committee on the Judiciary.

By Mr. HALEY:

H.R. 14979. A bill for the relief of Dr. Delfin Ganzon Limcangco; to the Committee on the Judiciary.

By Mr. MACDONALD of Massachusetts:

H.R. 14980. A bill for the relief of Antonio L. DiFilippo; to the Committee on the Judiciary.

By Mr. MORTON:

H.R. 14981. A bill for the relief of certain employees at the Naval Air Test Center, U.S. Naval Air Station, Patuxent River, Md.; to the Committee on the Judiciary.

H.R. 14982. A bill for the relief of the estate of Donald T. McQuoid; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 14983. A bill for the relief of Giuseppe Musumeci and Concetta Franca Mellia Musumeci; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 14984. A bill for the relief of Ferminia R. Cabral; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 14985. A bill for the relief of Linda Alimada; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

234. By the SPEAKER: Petition of Mrs. Katherine Ratojski, Brackenridge, Pa., relative to the guarantee of all inalienable rights; to the Committee on the Judiciary.

235. Also, petition of Clarence E. Whaley, San Jose, Calif., relative to the Chief Justice of the U.S. Supreme Court; to the Committee on the Judiciary.

236. Also, petition of Giovanni Buonmatina, Palermo, Italy, relative to an entrance visa to the United States; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Duke Kahanamoku

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. BRAY. Mr. Speaker, the man who more than any other was a symbol of and whose name was synonymous with the Hawaiian Islands is dead.

It was a pleasure and a privilege to have been a personal friend of Duke Kahanamoku, great athlete and public citizen. The following editorials from the Honolulu Star-Bulletin and the Honolulu Advertiser pay eloquent tribute to this man among men.

[From the Honolulu Advertiser, Jan. 23, 1968]

DUKE KAHANAMOKU

Duke Kahanamoku was far more than simply Hawaii's best-known citizen for over half a century.

In a very real way, he was, as he remains,

a symbol of the friendly good will and vigorous achievement in sea, surf and on shore that has marked the Hawaiian people for the world.

It has become an image all Hawaii, all races, have come to share—in fact, an obligation we want to maintain.

Some would call it the Aloha Spirit and say the Duke was its best example.

When he turned 75 two years ago, we and others said the only question for history is how big Duke's legend will become.

Some of the things bearing his name include a scholarship foundation, a beach, a swimming pool at the university, an annual regatta, a restaurant and nightspot, a line of sportswear, a music and recording company, ukuleles, surfboards, a surfing club, and an international surfing championship.

All these will help perpetuate Duke's name, as they already have for generations of youngsters who were born after his famous swimming and surfing achievements.

But far more important is perpetuating Duke's spirit—the friendly, modest young Hawaiian boy whose real accomplishments won the respect of the world, the older man who carried his legend with modest dignity. These are goals all might seek.

He was the "Bronze Duke of Waikiki," and his name was as magic as that of Diamond Head in evoking the image of a pleasant Polynesia.

Many things changed at Waikiki over the many years of Duke Kahanamoku's long life from Monarchy to Jet Age. And in his final few years he aged rapidly into a man reflecting his memories.

But if there was a certain sadness in this there were those days when surfers and sailors off Waikiki would see Duke out on his boat, obviously happy in his element, his silver hair shining in the sun, his eyes gazing in across the surf he rode so well.

That Duke Kahanamoku must always be a part of Hawaii. It is a great sadness to lose him in body now. We must never lose him in spirit later.

[From the Honolulu Star-Bulletin, Jan. 23, 1968]

REQUIEM FOR THE DUKE

Death came swiftly yesterday to Duke Paoa Kahanamoku, hard by the sea he loved. After 77 eventful years, the champion's heart stopped and people all over the world mourned.